

2649

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Financial Statements and Schedules

June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 11 2012**

Contents

Introductory Section

Principal Officials	i
Superintendent's Letter of Transmittal	ii - iv
Chief Financial Officer's Letter of Transmittal	v - vi

Independent Auditor's Report	1 - 2
------------------------------	-------

Required Supplementary Information - (Part I)

Management's Discussion and Analysis	3 - 12
--------------------------------------	--------

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Assets	14 - 15
Statement of Activities	16 - 17

Fund Financial Statements

Governmental Funds	
Balance Sheet	19
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Assets	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21 - 22
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures	
and Changes in Fund Balances to the Statement of Activities	23
Proprietary Funds	
Statement of Net Assets	24
Statement of Revenues, Expenses and Changes in Net Assets	25
Statement of Cash Flows	26 - 27
Fiduciary Funds	
Statement of Fiduciary Net Assets	28
Statement of Changes in Fiduciary Net Assets	29

Notes to Financial Statements	31 - 66
-------------------------------	---------

Required Supplementary Information - (Part II)

Budgetary Comparison Schedule - General Fund	68 - 69
Budgetary Comparison Schedule - Pass Through Fund	70 - 71
Budgetary Comparison Schedule - Federal Grant Fund	72 - 73
Other Post-Employment Benefits Information	74

Contents (Continued)

Other Supplementary Information

Combining and Individual Fund Statements and Schedules

Non-Major Governmental Funds - By Fund Type

Combining Balance Sheet 76

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type 77

Non-Major Special Revenue Funds

Combining Balance Sheet 78

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 79

Non-Major Debt Service Funds

Combining Balance Sheet 80

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 81

Non-Major Capital Projects Funds

Combining Balance Sheet 82

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 83

Proprietary Fund Type - Internal Service Funds

Combining Statement of Net Assets 84

Combining Statement of Revenues, Expenses and Changes in Net Assets 85

Combining Statement of Cash Flows 86

Fiduciary Fund Type - Agency Funds

Combining Statement of Assets and Liabilities 87

Combining Statement of Changes in Assets and Liabilities 88

Statistical Schedules

Government-Wide Expenses by Function 89

Government-Wide Revenues 90

Governmental Fund Expenditures by Function 91 - 92

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

93 - 94

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

95 - 96

Schedule of Expenditures of Federal Awards

97

Notes to Schedule of Expenditures of Federal Awards

98

Contents (Continued)

Schedule of Findings and Questioned Costs	99 - 101
Summary Schedule of Prior Year Audit Findings and Questioned Costs	102 - 103
Charter School Findings	105 - 114
Independent Accountant's Report on Applying Agreed-Upon Procedures	115 - 117

**Schedules Required by Louisiana State Law (R.S. 24:514
Performance and Statistical Data)**

	Schedule	
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	119
Education Levels of Public School Staff	2	120
Number and Type of Public Schools	3	121
Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers	4	122
Public School Staff Data	5	123
Class Size Characteristics	6	124
Louisiana Educational Assessment Program (LEAP)	7	125
Graduation Exit Exam	8	126
iLEAP Test Results	9	127 - 129

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Principal Officials
June 30, 2011**

School Board Members

Ira H. Thomas, Sr.	District 1	
Cynthia Cade	District 2	
Brett Bonin	District 3	
Lourdes Moran	District 4	President
Seth Bloom	District 5	
Woody Koppel	District 6	
Thomas Robichaux	District 7	Vice-President

Officers are elected for a term of one calendar year by Board Members. The 2011 officers are shown above.

Administrative Officials

Darryl Kilbert	Superintendent
Stan Smith	Chief Financial Officer

Departmental Executive Directors

Rosalynne Dennis, Ph.D.	Exceptional Children's Services
Dr. Armand Devezin	Human Resources
Leslie Rey	Purchasing/Ancillary Services
Tim Russell	Controller
Ed Morris	General Counsel
Herman Taitt	Operations



Orleans Parish School Board

3520 General DeGaulle Drive * Suite #5055 * New Orleans, Louisiana * 70114
(504) 304-5660 office (504) 309-2865 fax

Darryl C. Kilbert, Superintendent

November 4, 2011

The President and Members
Orleans Parish School Board

The Orleans Parish School Board continues to work to improve our school system's financial future. With higher living cost, higher taxes, and lower future expectations, we recognize that a quality education system is a key to recovery.

Most importantly, the Board has overseen the activities of the Superintendent and administration in rebuilding the academic standing and achievement of our students. Since the storm, our district schools have achieved upwards of 95 percent in student attendance and a 95 percent senior graduation rate. We extended our school day and invested funds to incorporate staff professional development as part of the instructional day.

The following academic services and activities of the Orleans Parish Schools have continued:

Academic Update -

Ranked 2nd in the State with the District Performance Score Improving from 110.3 to 118

- ❖ 120 minutes of uninterrupted Reading blocks - Grades K-6.
- ❖ Students continue to have access to instructional technology (web-based programs) 24 hours a day, 7 days a week.
- ❖ Parents continue to have online access to their child's grades, assignments and can track progress.
- ❖ Students reading abilities are assessed and remediated through the Adolescent Literacy Initiative grades 4 - 10.
- ❖ Student Academic Reviews conducted to examine classroom data, review portfolios, plan student interventions and support teachers.
- ❖ Robotics programs are in elementary and high schools.
- ❖ Performance Series is a computer assessment program, which allows pinpointing of student understanding across a range of core subjects; prescribes specific lessons for student achievement based upon test data; and supports Response to Intervention (RTI).

"Success is the ONLY OPTION!"

- ❖ Credit Recovery Program allow to make up carnegie units for courses missed.
- ❖ Achievement Series is a powerful web-based district-wide assessment solution that allows K - 12 educators to develop and administer tests, capture immediate results, and produce standards-based reports.
- ❖ Teachers and administrators have access to a longitudinal data system to plan instruction based on student data.
- ❖ Teachers have access to curriculum pacing guides and alignment based on the Louisiana Comprehensive Curriculum.
- ❖ Teachers have common assessments for core subjects in grades 2 - 12.
- ❖ Job-embedded Professional Development.
- ❖ District recognized for 100% compliance in IDEA Special Education Services for students. Students with disabilities earned diplomas at twice the State's graduation rate.
- ❖ District provides Child Search evaluation services to all pre-school children ages 3-5 who reside in Orleans Parish.
- ❖ Collaboration with BARD College New York and Southern University in New Orleans (SUNO).
- ❖ Opening of Mahalia Jackson Early Childhood Learning Center.
- ❖ The above programs have assisted OPSB to achieve the following:
 - ✓ **Ranked #1 in state for the second year in a row to Cohort graduation rates. Improved from 90.3 to 93.5. State goal of 80% for year 2014.**

Accountability Update

- ❖ Continued evaluation of OPSB charter schools utilizing the NACSA Charter School Framework adopted by BESE and OPSB.
- ❖ Continued evaluation of OPSB schools utilizing a modified version of charter school framework.
- ❖ Continued implementation of *ExCELSS Protocol-Examining Curriculum Enhanced Learning for Students* - a uniform process for monitoring and learning.
- ❖ Progress monitoring in Reading/ELA and Mathematics K-11.
- ❖ Response to Intervention (RTI) implemented to identify at risk students, monitor their progress and provide interventions.
- ❖ Technical Assistance Teams established a uniform process for monitoring teaching and learning.

"Success is the ONLY OPTION!"

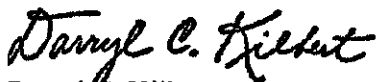
- ❖ Data Summits held to analyze student data and make informed decisions about student learning.
- ❖ Opening a District-wide Parent Center.

Safety and Security Update

- ❖ Continued implementation of the revised State Safety and Security Plan at all OPSB schools.
- ❖ "Visitor Management" software and hardware in place of OPSB schools to create a data base of visitors that tracks visitors and checks against a national crime registry through the use of a driver's license swipe before the visitor is given an access pass.
- ❖ Secured, boarded and monitored OPSB vacant properties.
- ❖ Training and Professional Development Activities:
 - Training provided to school personnel on Emergency Management, Crisis Communications and Bomb Threats, basic personnel qualifications.
 - An Emergency Procedure Guide is being created regarding Bullying and Cyber-bullying.
 - All security officers are CPR Certified and trained in First Aid and ADE. Training will be expanded to all school site personnel.
 - Collaborating with IT and Facilities Departments for implementation of IP controlled access to each OPSB school.
 - Security Camera System is installed in 4 of the 6 direct run schools.
 - Installed cardiac defibrillators at school site and central office.

The Orleans Parish School board continues to commit creating a world-class public education system that is child centered and supports the rebuilding of the city of New Orleans.

Respectfully,



Darryl C. Kilbert, Superintendent
Orleans Parish Public Schools

*"Success is the **ONLY** OPTION!"*



Orleans Parish Public Schools

3520 General deGaulle Drive * New Orleans, Louisiana * 70114

(504) 304-5911 office (504) 309-2865 fax

Stanley C. Smith, Chief Financial Officer

November 6, 2011

The President and Members
Orleans Parish School Board

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Orleans Parish School Board (OPSB) for the fiscal year ended June 30, 2011. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with the Orleans Parish School Board (OPSB).

To the best of our knowledge and belief, the data included in the CAFR are accurate in all material respects and are reported in a manner designed to present fairly the Statement of Net Assets and Statement of Activities of the OPSB. All disclosures necessary to enable the reader to gain an understanding of the OPSB financial activities have been included. This report also includes all funds and account groups of the School Board.

The CAFR is presented in two sections: Introductory and Financial. The Introduction Section includes this Transmittal Letter and a list of principal officials. The Financial Section includes required supplemental information (Management Discussion and Analysis), basic financial statements, and other supplemental information, as well as the independent auditors' report on the basic financial statements.

The OPSB is a political subdivision created under Louisiana State Statutes and has the power to sue and be sued, to make rules and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the State Board of Elementary and Secondary Education. The School Board operates within Orleans Parish providing a full range of regular education and related services as required by the Louisiana State Statutes. It is authorized to establish public schools (including the authorization of Charter schools) it deems necessary to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine local supplement to their salaries. Accordingly, the OPSB is not included in any other governmental reporting entity since its members are elected by the public for a term of four years and have decision-making authority, the power to designate management, the ability to significantly influence operations and have primary accountability for fiscal matters for the Orleans Parish School System.

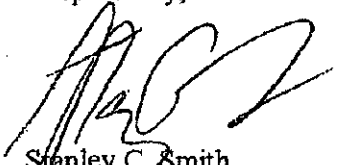
The boundaries of the OPSB area of responsibility and the City of New Orleans are coterminous and located near the mouth of the Mississippi River in Southeast Louisiana. The leading industries of the local economy are petroleum, port, tourism, and construction.

All funds and entities controlled by or dependent on the OPSB are included in the CAFR. These financial statements present the School Board as the primary government. For this fiscal year ended June 30, 2011, OPSB directly operated six schools and two programs serving 2,895 students. In addition, OPSB is charter authorizer for and has oversight of eleven Charter Schools. These Charter Schools and their enrollment as of February 1, 2011 are as follows:

Charter School	Approximate Number of Students
Audubon Charter School	672
Benjamin Franklin High School	647
Einstein Charter School	429
Edward Hynes Charter School	532
Lake Forest Elementary Charter School	457
Lusher Charter School	1,630
New Orleans Science and Math High School	366
Robert Russa Moton Elementary	239
Warren Easton Senior High School	855
Algiers Charter Schools:	
Alice M. Harte Elementary	630
Edna Karr High School	863
Total Enrollment	7,320

The charter schools financial statements are normally presented in the report as discrete component units of the reporting entity because they are fiscally dependent on the OPSB.

Respectfully,



Stanley C. Smith
Chief Financial Officer



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Independent Auditor's Report

To the Orleans Parish School Board
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (School Board) as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following discretely presented component units which represent 91%, 91% and 85%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units: Hynes Charter School, Lusher Charter School, New Orleans Charter Science and Math High School, Warren Easton Senior High School, Lake Forest Elementary Charter School, Robert Russa Moton Charter School, Ben Franklin High School and Algiers Charter Schools - Alice M. Harte Elementary and Edna Karr High School. These financial statements were audited by other auditors whose reports thereon were furnished to us and our opinion herein on the financial statements, in so far as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

An Independently Owned Member, McGladrey Alliance

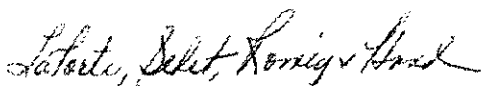
The McGladrey Alliance is a premier alliance of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client relationships, delivery of services and maintenance of client relationships.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and pages 68 through 74, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Performance and Statistical Data included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the *Independent Accountant's Report on Applying Agreed-Upon Procedures*. However, we did not audit this information and, accordingly, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School Board. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



A Professional Accounting Corporation

November 28, 2011

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Overview and Analysis of Financial Activities

The Orleans Parish School Board (School Board), as the financial manager of the Orleans Parish School System, offers the readers of these financial statements an overview and analysis of the financial activities of the School Board. This overview and analysis is designed to assist the users of these financial statements to focus on significant issues, identify significant changes in the School Board's financial position both at the government-wide and fund levels, and highlight material changes from the School Board's approved budget.

Our discussion and analysis of the School Board's financial performance includes a section entitled *Financial Highlights* which provides an overview of its financial activities for the fiscal years ended June 30, 2011 and 2010. This discussion and analysis should be read in conjunction with the Annual Financial Report's Letter of Transmittal in the Introductory Section, the School System's Financial Statements (Financial Section), and the Notes to the Financial Statements.

Financial Highlights

- As of June 30, 2011, the School Board reported a consolidated net assets total of \$129.1 million. This consolidated total represents an increase of approximately \$70.4 million over the June 30, 2010, balance of \$58.7 million. The June 30, 2011, balance represents an increase of approximately \$230.0 million over the June 30, 2006, deficit of \$100.9 million.
- As of June 30, 2011, the School Board reported General Fund net assets of \$44.6 million. This represents a decrease of \$5.4 million from the June 30, 2010, balance of \$50.0 million. The components of this decrease are as follows: (1) Purchase of a building at 3520 General DeGaulle Avenue, New Orleans \$6.3 million; (2) FY 2010 - 11 General Fund operations surplus of \$0.9 million.
- For FY 2010 - 11 ad valorem tax revenues, including the gross up for fees, totaled \$110.8 million. This represents an increase of \$0.3 million over the previous year.
- Sales tax revenues totaled \$95.1 million, which represents an increase of \$10.2 million or 12.0% over the previous year.
- The Minimum Foundation Program (MFP) distribution from the State of Louisiana totaled \$38.9 million for FY 2010 - 11. Louisiana funds public education through a block grant known as the Minimum Foundation Program, or MFP. The MFP formula is developed and approved annually by the Louisiana State Board of Elementary and Secondary Education.
- The School Board had insurance policies in effect at the time of Hurricane Katrina in the aggregate amount of approximately \$217.8 million. Since August 2005, the School Board has received \$59.4 million in Hurricane Katrina insurance proceeds. The School Board has filed lawsuits against its insurers to collect its remaining claims for additional damages. The Louisiana Department of Education and the Recovery School District have asserted their entitlement to a portion of the insurance proceeds. During FY 2009-2010, the School Board agreed to a preliminary settlement with the RSD pursuant to which each entity received \$18.0 million. The balance of the insurance proceeds, approximately \$23.7 million with investment earnings, continues to be deferred revenue and is held in the registry of the Civil District Court for the Parish of Orleans.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

- During FY 2010-11 expenditures on Federal and State awards totaled \$49.7 million. The three largest grants were as follows: (1) U.S. Department of Education, No Child Left Behind, Title I = \$20.6 million; (2) U.S. Department of Education, No Child Left Behind, Title II = \$ 4.0 million; (3) U.S. Department of Education, Individuals with Disabilities and Exceptionalities, IDEA Part B = \$7.0 million. These expenditures benefit OPSB students, OPSB Charter School students and non-public students.
- During FY 2006-07, FY 2007-08 and FY 2008-09, the School Board borrowed \$76.2 million under the Debt Service Assistance Program. The Gulf Opportunity Zone Act allowed for the issuance of Gulf Tax Credit Bonds to assist local governments to pay bonded indebtedness. Principal payments on these bonds begin in July 2012. Interest commences on July 16, 2011, at a rate of 4.64% per annum and is payable semi-annually beginning in January 2012.
- On September 1, 2010, the School Board issued \$97.0 million in refunding bonds for the purpose of refunding the outstanding General Obligation School Bonds, Series 1995 through 1998.
- Principal payments on bonds and notes payable including the amount necessary to refund the outstanding General Obligation School Bonds, Series 1995 through 1998, totaled \$133.4 million. Additionally, a payment of \$9.4 million was made on the accrued interest on the 1991 Refunding bonds.
- As of June 30, 2011, the School Board had total Long-Term debt of \$297.8 million. This is comprised of the following: (1) Bonds, Notes and Loans of \$214.9 million; (2) Accrued interest payable of \$30.0 million; (3) Compensated absences of \$8.3 million; (4) Bond Premium of \$7.2 million and (5) Claims payable of \$37.5 million.
- On January 28, 2011, FEMA approved the School Board's request for cancellation of the Community Disaster Loan in the amount of \$40.9 million, plus accrued interest in the amount of \$5.4 million. This cancellation is reflected in the accompanying financial statements. On October 26, 2011, the School Board received notification that an additional \$7.2 million would be cancelled. The additional cancellation will be reflected in the June 30, 2012, financial statements.
- As of June 30, 2011, the School Board had net assets in its Debt Service funds of \$120.6 million. The components of this are as follows: (1) General Obligation Bonds = \$16.9 million; (2) 1991 Refunding Bonds, Accrued Interest = \$27.5 million; (3) Gulf Opportunity Bonds = \$76.3 million. These funds are dedicated by Board action to the repayment of the related outstanding debt.
- As of June 30, 2011, the School Board had a net investment in capital assets, book value less accumulated depreciation, of approximately \$248.3 million. The long-term debt plus accrued interest on these capital assets totaled \$156.4 million. The difference between the net investment in capital assets, net of related debt represents a surplus of approximately \$91.9 million. This surplus is expected to increase as Phase One of the Master Plan is implemented during FY 2011-12.
- Capital project expenditures during FY 2010-11 for both major construction and repair and maintenance projects totaled \$22.6 million. Approximately, \$13.0 million of the expenditures were for Hynes elementary school. Capital expenditures are projected to substantially increase in FY 2011-12.
- At June 30, 2011 the component units (i.e., the eleven charter schools) had net assets of \$47.9 million. Additionally, revenue for the current fiscal year totaled \$73.6 million.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

- On January 31, 2011, the School Board purchased a building located at 3520 General DeGaulle Drive, New Orleans for \$6.3 million. Since the building has many outside tenants, the School Board created an enterprise fund to account for the building's revenues and expenditures.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the School Board's Comprehensive Annual Financial Report (CAFR). The basic financial statements consist of the following: (1) Government-Wide Financial Statements; (2) Fund Financial Statements; (3) Notes to the Financial Statements; (4) Supplementary Financial Information.

Government-Wide Financial Statements (pages 14 through 17) include the Statement of Net Assets (Deficit) and Statement of Activities, which provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. In summary, the Government-Wide Financial Statements show the results of operations and financial position using the total economic resources measurement focus and the accrual basis of accounting which emphasizes the long-term financial picture and are very similar to the financial statements of the private sector.

The Fund Financial Statements (pages 19 through 29) represent information for three fund categories - governmental, proprietary and fiduciary. Financial statements for governmental funds tell how we financed our services in the short-term as well as what remains for future spending. These fund statements provide the reader with some insight into the School Board's overall financial health. In short, the fund-level financial statements show the results of operations and financial position using the current financial resources measurement focus and the modified accrual basis of accounting, emphasizing the change in fund balances as a result of the current year's operations, as well as the amount of resources available to spend.

Fund Financial Statements also report the School Board's operations in more detail than the Government-Wide Financial Statements by providing information about the School Board's most significant fund(s) - such as the General Fund, Pass Through Fund, General Obligation Bond Fund, Refunding Bond Fund, Gulf Opportunity Bond Fund, Hurricane Katrina Restoration Fund, Capital Projects Fund and the Federal Grant Fund. The Governmental Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances include the major funds as well as an aggregate of the remaining funds that report general government operations.

The School Board maintains two types of Proprietary Funds. The Enterprise Fund is used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. During FY 2010-11, an enterprise fund was established, the Enterprise Fund - Timbers, to account for the rental receipts and operating costs of a five story building purchased during the year. The Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the School Board's major functions/funds. The School Board uses internal service funds for its employee health insurance, retiree health insurance and workers compensation. Because these services predominantly benefit the governmental rather than business-type functions they are included within governmental activities in the Government-Wide Financial Statements.

The Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets provide financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Other sections include Notes to the Financial Statements (pages 31 through 66) and certain Required Supplementary Information (pages 68 through 73). Included in the Required Supplementary Information is a comparison of the General Fund budget with actual results on pages 68 through 69. Over the course of the year, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures.

Reporting on School Board as a Whole

Government-Wide Financial Analysis

The following analysis focuses on the Statement of Net Assets (Deficit) (Table 1) and Statement of Activities (Table 2) of the School Board's governmental and business-type activities:

**Table 1
Condensed Comparative Statement of Net Assets (Deficit)
At June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease) Amount	Increase (Decrease) Percent
	2011	2010	2011	2010	2011	2010		
Current and Other Assets	\$ 240,391,661	\$ 307,878,048	\$ 128,152	\$ -	\$ 240,519,813	\$ 307,878,048	\$ (67,358,235)	(21.88)
Capital Assets, Net	107,923,259	91,285,224	6,270,213	-	114,193,472	91,285,224	22,908,248	25.10
Long-Term Receivable RSD	134,096,551	134,614,743	-	-	134,096,551	134,614,743	(518,192)	(0.38)
Total Assets	482,411,471	533,778,015	6,398,365	-	488,809,836	533,778,015	(44,968,179)	(8.42)
Current and Other Liabilities	61,844,064	86,664,870	17,512	-	61,861,576	86,664,870	(24,803,294)	(28.62)
Long-Term Liabilities	297,810,457	388,368,912	-	-	297,810,457	388,368,912	(90,558,455)	(23.32)
Total Liabilities	359,654,521	475,033,782	17,512	-	359,672,033	475,033,782	(115,361,749)	(24.28)
Net Assets (Deficit):								
Invested in Capital Assets,								
Net of Debt	85,580,057	33,271,630	6,270,213	-	91,850,270	33,271,630	58,578,640	176.06
Restricted	168,501,791	169,781,270	-	-	168,501,791	169,781,270	(1,279,479)	(0.75)
Unrestricted	(131,324,898)	(144,308,667)	110,640	-	(131,214,258)	(144,308,667)	13,094,409	(9.07)
Total Net Assets (Deficit)	\$ 122,756,950	\$ 58,744,233	\$ 6,380,853	\$ -	\$ 129,137,803	\$ 58,744,233	\$ 70,393,570	119.83

The School Board's net assets were \$122,756,950 at June 30, 2011, and \$58,744,233 at 2010. Of which, \$(131,324,898) and \$(144,308,667) were unrestricted at June 30, 2011 and 2010, respectively. Restricted net assets are reported separately to show legal constraints from debt covenants, capital projects and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. As of June 30, 2011 and 2010, the restricted net assets amounted to \$168,501,791 and \$169,781,270 respectively.

Current and other assets decreased from June 30, 2010 to June 30, 2011, by \$67,358,235. The primary reasons for this net change are as follows: (a) Cash and investments decrease by \$49,458,014 due to a planned reduction in the Debt Service balances; (b) Taxes receivable decreased by \$14,960,072 because payments were received earlier from the City of New Orleans.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Net capital assets increased from June 30, 2010 to June 30, 2011, by a net amount of \$22,908,248 due primarily to the construction of the new Hynes Elementary School, along with other building improvements in excess of building and equipment depreciation. (See Note 2 and Note 5, Capital Assets in the accompanying financial statements for additional discussion regarding depreciation methods and related accumulated depreciation). The June 30, 2011, financial statements reflect \$134,096,551 of capital assets transferred to the RSD as a long-term receivable. This reflects a reduction of \$518,192 due to the return of one property from the RSD to the School Board during the fiscal year.

Current and other liabilities decreased by \$24,803,294 due to the payment of \$18,000,000, of insurance to the Recovery School District during FY 2010-11.

Long-term liabilities decreased by \$90,558,455. The primary composition of this net change is as follows: (a) Community Disaster Loan and accrued interest forgiveness totaling \$46,341,764; (b) principal payments net of new loans of \$36,441,378; (c) a decrease in compensated absences of \$6,003,988; (c) a decrease in the liability for claims payable of \$4,059,023. (See Note 14, Litigation and Contingencies in the accompanying financial statements for additional discussion regarding litigation).

At June 30, 2011, the \$129,137,803 of net assets represents the accumulated results of all governmental and business-type operations. Accordingly, if the School Board had to pay off all of its bills today, including all of its noncapital liabilities (for example compensated absences and claims) the School Board would have sufficient unrestricted assets to pay all liabilities.

Table 2
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total		Variance Increase (Decrease) Amount	Variance Increase (Decrease) Percent
	2011	2010	2011	2010	2011	2010		
Governmental Activities								
Revenues								
Program Revenues								
Charges for Services	\$ 1,521	\$ 1,290	\$ 402	\$ -	\$ 1,923	\$ 1,290	\$ 633	49.07
Operating Grants	42,065	60,376	-	-	42,065	60,376	(18,311)	(30.33)
Capital Grants	9,505	5,849	-	-	9,505	5,849	3,656	62.51
Total Program Revenues	53,091	67,515	402	-	53,493	67,515	(14,022)	(20.77)
General Revenues								
Ad Valorem	110,794	110,518	-	-	110,794	110,518	276	0.25
Sales Taxes	95,110	84,919	-	-	95,110	84,919	10,191	12.00
State Revenue Sharing	2,778	1,626	-	-	2,778	1,626	1,152	70.85
Investment Earnings	488	1,419	-	-	488	1,419	(931)	(65.61)
Internal Service Funds Net Operating (Loss)	(735)	(948)	-	-	(735)	(948)	213	(22.47)
Minimum Foundation Program	38,921	35,520	-	-	38,921	35,520	3,401	9.57
Insurance Proceeds	-	18,000	-	-	-	18,000	(18,000)	(100.00)
Debt Forgiveness	46,342	-	-	-	46,342	-	46,342	-
Other General Revenues	3,466	1,040	-	-	3,466	1,040	2,426	233.27
Total General Revenues	297,164	252,094	-	-	297,164	252,094	45,070	17.88
Total Revenues	\$ 350,255	\$ 319,609	\$ 402	\$ -	\$ 350,657	\$ 319,609	\$ 31,048	9.71

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Table 2 (Continued)
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2011 and 2010

Governmental Activities	Governmental Activities		Business-Type Activities		Total		Variance Increase (Decrease) Amount	Variance Increase (Decrease) Percent
	2011	2010	2011	2010	2011	2010		
Functions/Program Revenues								
Instruction								
Regular Education Programs	12,486	10,956	-	-	12,486	10,956	1,530	13.96
Special Education Programs	5,671	4,339	-	-	5,671	4,339	1,332	30.70
Other Educational Programs	19,771	21,223	-	-	19,771	21,223	(1,452)	(6.84)
Support Services								
Student Services	4,830	4,049	-	-	4,830	4,049	781	19.29
Instructional Staff Support	7,501	7,033	-	-	7,501	7,033	468	6.65
General Administration	12,124	6,889	-	-	12,124	6,889	5,235	75.99
School Administration	1,946	1,156	-	-	1,946	1,156	790	68.34
Business Services	2,199	2,561	-	-	2,199	2,561	(362)	(14.14)
Student Transportation Services	3,154	2,590	-	-	3,154	2,590	564	21.78
Central Services	2,767	2,761	-	-	2,767	2,761	6	0.22
Plant Services	10,508	5,180	-	-	10,508	5,180	5,328	102.85
Other	531	3,811	-	-	531	3,811	(3,280)	(86.07)
Food Services	3,865	3,668	-	-	3,865	3,668	197	5.37
Transfer to RSD Schools - Local MFP	120,356	114,282	-	-	120,356	114,282	6,074	5.31
Transfer to Charter Schools - Local and State MFP	62,757	60,364	-	-	62,757	60,364	2,393	3.96
Interest on Long-Term Debt	9,446	13,575	-	-	9,446	13,575	(4,129)	(30.42)
Rental Properties	-	-	353	-	353	-	353	-
Total Expenses	279,912	264,437	353	-	280,265	264,437	15,828	5.99%
Changes in Net Assets Before Transfers	70,343	55,172	49	-	70,392	55,172	15,220	27.59%
Transfers	(6,331)	-	6,331	-	-	-	-	-
Changes in Net Assets	64,012	55,172	6,380	-	70,392	55,172	15,220	27.59%
Beginning Net Assets	58,744	3,572	-	-	58,744	3,572		
Ending Net Assets	\$ 122,756	\$ 58,744	\$ 6,380	\$ -	\$ 129,136	\$ 58,744		

Total revenues for all governmental and business-type activities for the fiscal years ended June 30, 2011 and June 30, 2010, were \$350,657,000 and \$319,609,000, respectively. The increase in total revenue in 2011 compared to 2010, in the amount of \$31,048,000 is due in part to an increase in sales taxes of \$10,190,000. Also increasing revenue in 2011 was the Community Disaster Loan forgiveness of \$46,342,000. This was offset by reduction in insurance proceeds and operating grants of \$18,000,000 and \$18,311,000, respectively.

As reported in the Statement of Activities (Table 2) the total cost of all governmental and business-type activities for the two fiscal years ended June 30, 2011 and June 30, 2010, were \$280,263,000 and \$264,437,000, respectively. While the overall increase of \$15,826,000 is small, some individual categories had substantial changes. The individual line totals were impacted substantially by operating grants. The transfer to the RSD schools represents their share of local revenues for the fiscal year based on the ratio of students serviced by each entity. The transfer to the Charter schools represents their share of state MFP and local revenue share based on their student population. The School Board continues to focus on the provisions of instructional and related support services aimed at academic excellence of its student population.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Some of the costs were funded by those who benefited from the programs or by other governments and organizations who subsidized certain programs as reflected in operating grants revenues in the amount of \$42,065,000 for 2011 and \$60,376,000 for 2010. The School Board funded the remaining "public benefit" portion of our governmental costs with revenues from sales and ad valorem taxes of \$205,904,000 for 2011 and \$195,437,000 for 2010. Additionally, \$38,921,000 for 2011 and \$35,520,000 for 2010 was provided from MFP funds. Other revenues, including interest and state revenue sharing, funded the remaining "public benefit" governmental costs.

Table 3, Comparative Governmental Activities, reflects the gross cost of program services and the net costs after taking into account the program revenues for the governmental and business-type activities. General revenues (including tax revenues), investment earnings, and unrestricted State revenues are used to support the net remaining costs of the School Board activities.

Table 3
Comparable Governmental and Business-Type Activities (in Thousands)

Description	For the Years Ended June 30,			
	2011		2010	
	Gross Cost of Services	Net Cost of Services	Gross Cost of Services	Net Cost of Services
GOVERNMENTAL ACTIVITIES				
Regular Education Programs	\$ 12,486	\$ 8,029	\$ 10,956	\$ 7,602
Special Education Programs	5,671	1,516	4,339	(397)
Other Education Programs	19,771	(2,912)	21,223	(12,879)
Student Services	4,830	(45)	4,049	(2,104)
Instructional Staff Support	7,501	(413)	7,033	(3,447)
General Administration	12,124	10,486	6,889	5,970
School Administration Services	1,946	1,668	1,156	954
Business Services	2,199	1,912	2,561	2,196
Student Transportation Services	3,154	2,580	2,590	1,268
Central Services	2,767	2,184	2,761	2,130
Plant Services	10,508	9,069	5,180	4,221
Other	531	531	3,811	3,810
Food Services	3,865	(343)	3,668	(624)
Transfer to RSD Schools - Local MFP	120,356	120,357	114,282	114,282
Transfer to Charter Schools - Local and State MFP	62,757	62,757	60,364	60,364
Interest on Long-Term Debt	9,446	9,445	13,575	13,575
	\$ 279,912	\$ 226,821	\$ 264,437	\$ 196,921
BUSINESS-TYPE ACTIVITIES				
Rental Properties	\$ 353	\$ (50)	\$ -	\$ -
TOTAL PRIMARY GOVERNMENT	\$ 280,265	\$ 226,771	\$ 264,437	\$ 196,921

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Overall, the net cost of services in fiscal 2011 increased by approximately \$29,850,000. The category entitled General Administration increased by \$4,516,000 because State Revenue Sharing was recorded gross instead of being recorded net. The expense was included in General Administration. The category entitled Transfer to RSD Schools - Local MFP and Transfer to Charter Schools increased by \$6,075,000 and \$2,393,000 because of increased local share revenues. Payments to the RSD and Charter Schools are based upon state law.

Reporting on the Individual Funds

Fund Financial Analysis

Our analysis of the School Board's major funds begins on page 19 of the basic financial statements. The Fund Financial Statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board has established other funds for particular purposes (such as the Child Nutrition) to help it control and manage or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as grants from the Department of Education). The School Board's funds (governmental, proprietary and fiduciary) use the following accounting approach:

Governmental Funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets (Deficit) and the Statement of Activities) and governmental funds through reconciliation to the basic financial statements is described on page 23 of the financial statements.

Proprietary Funds - Proprietary funds for the School Board use the accrual basis of accounting, the same as on the government-wide statements. The Internal Service funds are used to account for the financing services provided by the School Board's departments, (such as employee health, retiree health and workers' compensation). The Enterprise Fund - Timbers is used to account for the rental receipts and operating costs of a five story building owned by the School Board. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows reports are presented on pages 84 through 86 of the basic financial statements.

Fiduciary Funds - The School Board is the trustee, or fiduciary, for its student activities funds. All of the School Board's fiduciary activities are reported in the separate Statements of Assets and Liabilities and Changes in Assets and Liabilities on pages 87 and 88 of the basic financial statements, respectively. We exclude these activities from the School Board's other financial statements because the assets cannot be utilized by the School Board to finance its operations.

Capital Asset and Debt Administration

Capital Assets

The School Board's capital assets include land, buildings and improvements, furniture and equipment, transportation equipment, and construction-in-progress.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

A comparative analysis of capital assets as of June 30, 2011 and 2010, is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 7,300,967	\$ 7,686,157	\$ 1,440,992	\$ -	\$ 8,741,959	\$ 7,686,157
Buildings and Improvements	138,719,484	123,326,516	4,890,176	-	143,609,660	123,326,516
Furniture and Equipment	10,903,552	16,084,439	-	-	10,903,552	16,084,439
Construction in Progress	22,819,397	20,263,639	-	-	22,819,397	20,263,639
	179,743,400	167,370,751	6,331,168	-	186,074,568	167,370,751
Accumulated Depreciation	(71,820,141)	(76,085,527)	(60,955)	-	(71,881,096)	(76,085,527)
Total	\$ 107,923,259	\$ 91,285,224	\$ 6,270,213	\$ -	\$ 114,193,472	\$ 91,285,224

Overall net capital assets increased from June 30, 2010 to June 30, 2011, by a net amount of \$22,908,248. This increase reflects the continued investment by the School Board in Property, Plant and Equipment. Additional information on Capital Assets can be found in Note 2, Summary of Significant Accounting Policies and Note 5, Capital Assets.

On November 6, 2008, the School Board approved a Master Plan for Orleans Parish School facilities. The Master Plan provides a blueprint for determining which school facilities will be rebuilt and which sites will be renovated. During October 2011, the School Board and RSD completed a revised Master Plan that incorporated cost savings made possible through the standardization of systems across all school facilities that will be constructed or rehabilitated. A complete copy of the Master Plan is available on the School Board's web site: www.nops.k12.la.us. Construction expenditures are anticipated to increase as more rebuilding projects will commence in FY 2011-12.

Long-Term Debt

Obligations include bonds, notes payable, loans and other long-term obligations including accrued vacation and sick leave pay. More detailed information about our long-term liabilities is presented in Note 8 in the notes to the accompanying financial statements and in earlier sections of this MD&A.

Pursuant to the requirements of LSA-R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of the taxable property (including homestead exempt and non-exempt property) within the Parish of Orleans. At June 30, 2011, the statutory debt limit for general obligation bonds is \$968,353,964, with a net legal debt margin of \$888,181,467.

Economic Factors and Next Year's Budget

The economic viability of the School Board is related primarily to the MFP and the ad valorem and sales taxes. For FY 2011-12 the School Board has budgeted ad valorem and sales taxes at a level approximately equal to the amounts actually received in FY 2010-11. Finally, MFP payments per student are projected to increase from \$3,940 to \$3,998 per student.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Contacting the School Board's Financial Management

Our financial report is designed to provide the citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Stan Smith, Chief Financial Officer, telephone number (504) 304-5680, at Orleans Parish School Board, 3520 General De Gaulle Drive, New Orleans, Louisiana 70114.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Assets (Deficit)
June 30, 2011**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 144,776,819	\$ 402,243	\$ 145,179,062	\$ 34,675,637
Investments	31,413,055	-	31,413,055	4,110,433
Taxes Receivable				
Sales Taxes	15,519,966	-	15,519,966	-
Ad Valorem Taxes	7,366,443	-	7,366,443	-
Due from Other Governments	37,894,026	-	37,894,026	6,801,899
Internal Balances	274,091	(274,091)	-	-
Prepaid Items	1,568,413	-	1,568,413	221,234
Inventory	35,049	-	35,049	16,189
Other Receivables	1,543,799	-	1,543,799	650,185
Other	-	-	-	105,560
Long-Term Accounts Receivable - RSD	134,096,551	-	134,096,551	-
Capital Assets				
Land	7,300,967	1,440,992	8,741,959	-
Construction in Progress	22,819,397	-	22,819,397	-
Capital Assets, Net of Accumulated Depreciation	77,802,895	4,829,221	82,632,116	5,241,734
Total Assets	482,411,471	6,398,365	488,809,836	51,822,871
Liabilities and Net Assets				
Liabilities				
Accounts Payable	8,134,351	17,512	8,151,863	915,280
Payroll Withholdings	1,075,701	-	1,075,701	25,148
Salaries Payable	452,321	-	452,321	958,024
Other Payables	5,918,740	-	5,918,740	1,597,107
Accrued Interest Payable	1,701,026	-	1,701,026	-
Due to Fiduciary Funds	317,215	-	317,215	-
Due to Other Governments	510,343	-	510,343	73,860
Deferred Revenues	43,734,367	-	43,734,367	163,256
Long-Term Liabilities				
Bonds, Notes and Loans Due Within One Year	19,124,130	-	19,124,130	103,162
Bonds, Notes and Loans Due in More Than One Year	202,887,881	-	202,887,881	25,834
Interest Payable	30,042,673	-	30,042,673	-
Compensated Absences Due Within One Year	-	-	-	40,667
Compensated Absences Due in More Than One Year	8,290,728	-	8,290,728	-
Claims Payable Due Within One Year	-	-	-	-
Claims Payable Due in More Than One Year	37,465,045	-	37,465,045	-
Total Liabilities	359,654,521	17,512	359,672,033	3,902,338

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Assets (Deficit) (Continued)
June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities and Net Assets (Deficit) (Continued)				
Net Assets (Deficit)				
Invested in Capital Assets, Net of Related Debt	85,580,057	6,270,213	91,850,270	5,241,734
Restricted for:				
School Food Service	35,049	-	35,049	-
Debt Service	120,595,030	-	120,595,030	-
Encumbrances	25,108,837	-	25,108,837	-
Capital Projects	22,762,875	-	22,762,875	795,230
Instructional Services	-	-	-	847,472
Unrestricted	(131,324,898)	110,640	(131,214,258)	41,036,097
Total Net Assets	\$ 122,756,950	\$ 6,380,853	\$ 129,137,803	\$ 47,920,533

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Activities
Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-Type Activities	Total	
Governmental Activities								
Instruction								
Regular Education Programs	\$ 12,486,534	\$ -	\$ 3,026,776	\$ 1,430,486	\$ (8,028,272)	\$ -	\$ (8,028,272)	\$ -
Special Education Programs	5,670,809	-	3,505,578	648,713	(1,515,417)	-	(1,515,417)	-
Other Education Programs	19,771,214	-	20,407,522	2,265,218	2,901,526	-	2,901,526	-
Support Services								
Student Services	4,829,455	863,776	3,457,800	553,318	45,439	-	45,439	-
Instructional Staff Support	7,501,358	-	7,054,891	859,447	412,940	-	412,940	-
General Administration Services	12,123,962	-	248,228	1,389,049	(10,486,585)	-	(10,486,585)	-
School Administration Services	1,946,446	-	55,349	223,007	(1,668,090)	-	(1,668,090)	-
Business Services	2,198,940	-	45,022	251,936	(1,901,982)	-	(1,901,982)	-
Student Transportation Services	3,154,365	-	212,942	361,401	(2,580,022)	-	(2,580,022)	-
Central Services	2,787,098	106,388	159,214	317,031	(2,194,464)	-	(2,194,464)	-
Plant Services	10,508,007	-	235,226	1,203,918	(9,068,853)	-	(9,068,853)	-
Other	530,941	-	-	-	(530,941)	-	(530,941)	-
Food Services	3,864,930	551,235	3,855,808	-	342,113	-	342,113	-
Transfer to RSD Schools - Local MFP	120,355,997	-	-	-	(120,355,997)	-	(120,355,997)	-
Transfer to Charter Schools - Local and State MFP	62,757,373	-	-	-	(62,757,373)	-	(62,757,373)	-
Interest on Long-Term Debt	9,444,926	-	-	-	(9,444,926)	-	(9,444,926)	-
Total Governmental Activities	279,911,295	1,521,380	42,064,857	9,504,524	(226,820,534)	-	(226,820,534)	-
Business-Type Activities								
Rental Properties	352,589	402,191	-	-	-	49,592	49,592	-
Total Business-Type Activities	352,589	402,191	-	-	-	49,592	49,592	-
Total Primary Government	280,263,884	1,923,571	42,064,857	9,504,524	(226,820,534)	49,592	(226,770,942)	-
Component Units								
Audubon Charter School	6,382,724	-	-	-	-	-	-	(6,382,724)
Hynes Charter School Corporation	5,312,769	-	-	-	-	-	-	(5,312,769)
Lake Forest Elementary Charter School	4,594,964	-	-	-	-	-	-	(4,594,964)
Lusher Charter School	14,115,439	-	-	-	-	-	-	(14,115,439)
Ernst Charter School	4,539,856	-	-	-	-	-	-	(4,539,856)
Robert Russa Moton Charter School	2,084,562	-	-	-	-	-	-	(2,084,562)
Warren Easton Senior High School	8,905,592	-	-	-	-	-	-	(8,905,592)
Agilest Charter Schools	15,604,578	-	-	-	-	-	-	(15,604,578)
Ben Franklin High School	6,712,120	-	-	-	-	-	-	(6,712,120)
The New Orleans Charter Science and Mathematics High School	4,648,967	-	-	-	-	-	-	(4,648,967)
Total Component Units	72,889,971	-	-	-	-	-	-	(72,889,971)

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Activities (Continued)
Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-Type Activities	Total	
Net Expenses from Previous Page					(228,820,534)	49,592	(228,770,942)	(72,869,971)
General Revenues								
Taxes								
Ad Valorem (Property) Taxes					110,794,005	-	110,794,005	-
Sales and Use Taxes					95,109,617	-	95,109,617	-
State Revenue Sharing					2,777,950	-	2,777,950	-
Minimum Foundation Program (MFP)					38,921,305	-	38,921,305	-
Minimum Foundation Program and Local Share					-	-	-	58,058,677
Orleans Parish School Board Grants and Contracts					-	-	-	9,943,810
Interest and Investment Earnings					487,919	93	488,012	67,273
Internal Service Funds Net Operating Loss					(734,781)	-	(734,781)	-
Debt Forgiveness					46,341,764	-	46,341,764	-
Transfers					(6,331,168)	6,331,168	-	-
Miscellaneous					3,466,640	-	3,466,640	5,526,776
Total General Revenues					290,833,251	6,331,261	297,164,512	73,636,536
Change in Net Assets					64,012,717	6,380,853	70,393,570	736,565
Net Assets - June 30, 2010, as Previously Reported					58,744,233	-	58,744,233	46,752,968
Prior Period Adjustment					-	-	-	431,002
Net Assets - June 30, 2010, as Restated					58,744,233	-	58,744,233	47,183,968
Net Assets - June 30, 2011					\$ 122,756,950	\$ 6,380,853	\$ 129,137,803	\$ 47,920,533

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Pass - Through Fund	General Obligation Bond Fund	Refunding Bond Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Gulf Opportunity Bond Fund	Federal Grant Fund	Other Governmental Funds	Total
Assets										
Cash and Cash Equivalents	\$ 30,308,079	\$ -	\$ 17,316,573	\$ 27,491,087	\$ -	\$ 19,384,011	\$ 45,057,846	\$ -	\$ 2,459,544	\$ 142,018,340
Investments	-	-	-	-	-	-	31,413,055	-	-	31,413,055
Taxes Receivable	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	15,519,966	-	-	-	-	-	-	-	15,519,966
Ad Valorem Taxes	-	7,366,443	-	-	-	-	-	-	-	7,366,443
Due from Other Funds	64,766,621	580,093	897,596	-	239,000	-	-	529,353	9,872,780	76,895,443
Due from Other Governments	140,479	-	-	-	27,735,878	-	-	9,200,163	817,806	37,894,126
Prepaid Items	1,568,413	-	-	-	-	-	-	-	-	1,568,413
Inventory	-	-	-	-	-	-	-	-	35,049	35,049
Other Receivables	830,978	-	-	-	-	50,000	184,065	-	-	1,065,043
Total Assets	\$ 97,615,570	\$ 23,466,502	\$ 18,214,269	\$ 27,491,087	\$ 27,974,878	\$ 19,434,011	\$ 76,654,966	\$ 9,729,516	\$ 13,185,079	\$ 313,765,878
Liabilities and Fund Balances										
Liabilities										
Accounts Payable	\$ 5,128,041	\$ 1,869,286	\$ -	\$ -	\$ 508,990	\$ 315,334	\$ -	\$ 245,343	\$ 188,725	\$ 8,055,719
Payroll Withholdings	1,075,701	-	-	-	-	-	-	-	-	1,075,701
Salaries Payable	452,321	-	-	-	-	-	-	-	-	452,321
Due to Other Funds	45,772,947	9,558,523	1,336,765	33,412	10,784,170	2,888,449	385,114	9,097,157	4,040,071	83,904,519
Due to Other Governments	510,443	-	-	-	-	-	-	-	-	510,443
Deferred Revenues	44,924	12,238,693	-	-	26,493,186	-	-	305,661	435,886	39,518,450
Total Liabilities	52,984,377	23,466,502	1,336,765	33,412	37,786,346	3,201,783	385,114	9,648,171	4,664,782	133,517,253
Fund Balances (Deficit)										
Nonspendable:										
Prepaid Items	1,568,413	-	-	-	-	-	-	-	-	1,568,413
Inventory	-	-	-	-	-	-	-	-	35,049	35,049
Restricted for:										
Encumbrances	-	-	-	-	23,149,517	1,335,700	-	-	623,620	25,108,837
Debt Service	-	-	16,877,503	27,457,675	-	-	76,259,852	-	-	120,595,030
Capital Projects	-	-	-	-	-	14,896,528	-	-	7,866,347	22,762,875
Special Programs	-	-	-	-	-	-	-	81,345	-	81,345
Assigned to:										
Special Programs	-	-	-	-	-	-	-	-	3,887,320	3,887,320
Unassigned	43,062,780	-	-	-	(32,960,985)	-	-	-	(3,892,036)	6,209,756
Total Fund Balances (Deficit)	44,631,193	-	16,877,503	27,457,675	(9,811,468)	16,232,228	76,259,852	81,345	8,520,297	180,248,625
Total Liabilities and Fund Balances	\$ 97,615,570	\$ 23,466,502	\$ 18,214,269	\$ 27,491,087	\$ 27,974,878	\$ 19,434,011	\$ 76,654,966	\$ 9,729,516	\$ 13,185,079	\$ 313,765,878

The accompanying notes are an integral part of these financial statements.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011**

Total Fund Balances at June 30, 2011- Governmental Funds		\$ 180,248,625
Cost of Capital Assets at June 30, 2011	179,743,400	
Less: Accumulated Depreciation as of June 30, 2011		
Buildings	(65,460,697)	
Movable Property	<u>(6,359,444)</u>	107,923,259
Accounts Receivable - RSD		134,096,551
Consolidation of Internal Service Funds		
Long-Term Liabilities at June 30, 2011		
Bonds Payable	(120,130,767)	
Bond Premium	(7,150,160)	
Loans Payable	(94,731,084)	
Interest Payable	(31,743,699)	
Claims Payable	(37,465,045)	
Compensated Absences Payable	<u>(8,290,730)</u>	<u>(299,511,485)</u>
Total Net Assets at June 30, 2011 - Governmental Activities		<u>\$ 122,756,950</u>

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2011

	General Fund	Pass-Through Fund	General Obligation Bond Fund	Refunding Bond Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Gulf Opportunity Bond Fund	Federal Grant Fund	Other Governmental Funds	Total
Revenues										
Local Sources										
Ad Valorem Taxes	\$ 12,870,141	\$ 65,444,009	\$ 12,479,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,794,005
Sales and Use Tax	5,122,900	76,232,071	-	13,544,206	-	-	-	-	210,440	95,109,617
Earnings (Loss) on Investments	967,055	-	111,128	-	-	-	(590,264)	-	-	487,919
Food Services	-	-	-	-	-	-	-	-	551,235	551,235
Donations	118,910	-	-	-	-	-	-	-	14,159	132,969
Other	1,880,203	-	-	-	-	2,345,962	-	-	37,384	4,263,549
State and Federal Sources										
Minimum Foundation Program	10,940,260	27,805,565	-	-	-	-	-	-	166,480	38,921,305
State Revenue Sharing	2,777,950	-	-	-	-	-	-	-	-	2,777,950
Other	943,904	-	-	-	-	-	-	23,060	731,5281	696,492
Federal Sources	110,685	-	-	-	5,840,398	-	-	36,466,702	7,319,933	49,737,918
Total Revenues	35,741,108	169,481,645	12,590,983	13,544,206	5,840,398	2,345,962	(590,264)	36,489,762	9,031,159	304,474,959
Expenditures										
Current										
Instruction										
Regular Programs	9,706,233	-	-	-	578,063	-	-	2,480,365	263,756	13,030,407
Special Programs	2,681,996	-	-	-	-	-	-	3,033,893	2,395	5,918,284
Other Programs	2,411,786	-	-	-	-	-	-	17,904,121	318,130	20,634,037
Support										
Student Services	2,026,753	-	-	-	-	-	-	3,006,457	7,000	5,040,210
Instructional Staff Support	1,417,888	-	-	-	34,882	-	-	6,177,127	198,8657	828,762
General Administration	4,262,910	6,448,165	-	220,073	-	1,721,803	-	-	-	12,852,951
School Administration	2,017,519	-	-	-	-	-	-	13,871	-	2,031,390
Business Services	1,886,694	-	-	-	16,572	-	-	-	391,6362	294,902
Student Transportation Services	3,159,234	-	-	-	-	-	-	132,790	-	3,292,024
Central Services	2,745,644	-	-	-	50,413	-	-	91,796	-	2,887,855
Plant Services	5,926,194	-	-	-	2,728,882	2,130,012	-	17,975	161,517	10,966,580
Food Services	-	-	-	-	27,313	-	-	-	3,637,617	3,664,930
Capital Outlay	-	-	-	-	18,915,027	1,639,315	-	-	2,008,238	22,562,580
Other	5,412	-	-	-	-	-	-	-	26,335	31,747
Debt Service										
Principal Retirement	-	-	124,296,000	8,956,067	-	-	-	-	196,291	133,447,376
Interest and Bank Charges	-	-	5,361,691	10,423,048	-	-	-	-	14,149	15,796,886
Total Expenditures	38,452,263	6,448,165	129,656,691	19,599,208	22,351,152	5,491,130	-	32,856,387	7,425,929	262,282,925
Excess of Revenues Over (Under) Expenditures	(2,711,155)	183,033,480	(117,065,708)	(6,055,002)	(16,510,754)	(3,145,168)	(590,264)	3,631,375	1,605,230	42,192,034

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenditures and
Changes in Fund Balances (Continued)
Governmental Funds
Fiscal Year Ended June 30, 2011

	General Fund	Pass-Through Fund	General Obligation Bond Fund	Refunding Bond Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Gulf Opportunity Bond Fund	Federal Grant Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)										
Proceeds from Debt Service										
General Obligation Bonds	-	-	104,805,175	-	-	-	-	-	-	104,805,175
Other	173,238	-	-	-	-	-	-	-	-	173,238
Transfers In	3,610,634	79,890	-	-	-	-	-	4,119	7,075	3,701,718
Transfers Out	(103,731)	-	-	-	-	-	-	(3,612,651)	(720,117)	(4,436,499)
Transfers Out - Building	(6,331,168)	-	-	-	-	-	-	-	-	(6,331,168)
Transfers Out - Charter Schools	-	(62,757,373)	-	-	-	-	-	-	-	(62,757,373)
Transfers Out - Recovery School District	-	(120,355,997)	-	-	-	-	-	-	-	(120,355,997)
Transfers Out - Other LEA	-	-	(499,194)	-	-	-	-	-	-	(499,194)
Total Other Financing Sources (Uses)	(2,651,027)	(183,033,480)	104,305,981	-	-	-	-	(3,608,532)	(713,042)	(85,700,100)
Net Change in Fund Balances	(5,362,162)	-	(12,759,727)	(6,055,002)	(16,510,754)	(3,145,168)	(590,264)	22,843	692,188	(43,508,066)
Fund Balances, June 30, 2010	49,993,375	-	29,637,230	33,512,677	6,699,286	19,377,396	76,850,116	58,502	7,828,109	223,756,691
Fund Balances, June 30, 2011	\$ 44,631,193	\$ -	\$ 16,877,503	\$ 27,457,675	\$ (9,811,468)	\$ 16,232,228	\$ 76,259,852	\$ 81,345	\$ 8,520,297	\$ 180,248,625

The accompanying notes are an integral part of these financial statements.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Reconciliation of the Governmental Funds - Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Fiscal Year Ended June 30, 2011**

Excess of Expenditures and Other Uses Over Revenues and Other Financing Sources - Total Governmental Funds		\$ (43,508,066)
Capital Assets		
Capital Outlay and Other Expenditures Capitalized	21,820,383	
Depreciation Expense for Year Ended June 30, 2011	(4,457,185)	
Assets Disposed	<u>(1,243,355)</u>	16,119,843
Change in Net Assets of Internal Service Funds		
Long-Term Debt		
Proceeds from Bond Payable	(97,005,000)	
Bond Premium, Net	(7,150,160)	
Principal Portion of Debt Service and Capital Lease Payments	133,447,378	
Debt Forgiveness	46,341,764	
Excess of Interest Paid Over Interest Accrued	5,703,947	
Decrease in Estimate of Long-Term Claims Payable	4,059,023	
Excess of Compensated Absences Used Over Amounts Earned	<u>6,003,988</u>	<u>91,400,940</u>
Change in Net Assets - Governmental Activities		<u>\$ 64,012,717</u>

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities Enterprise Fund - Timbers	Governmental Activities Internal Service
Assets		
Current		
Cash and Cash Equivalents	\$ 402,243	\$ 2,758,479
Other Receivables	-	478,755
Due from Other Funds	-	19,563,714
Capital Assets		
Land	1,440,992	-
Capital Assets, Net of Accumulated Depreciation	4,829,221	-
Total Assets	6,672,456	22,800,948
Liabilities and Net Assets		
Liabilities		
Current		
Accounts Payable	17,512	78,632
Due to Other Funds	274,091	12,587,662
Noncurrent		
Claims Payable	-	5,918,738
Deferred Revenue	-	4,215,916
Total Liabilities	291,603	22,800,948
Net Assets		
Restricted	6,380,853	-
Total Net Assets	\$ 6,380,853	\$ -

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Fund - Timbers	Governmental Activities Internal Service
Operating Revenues		
Employer Contributions	\$ -	\$ 6,667,435
Retiree Contributions	-	2,711,094
Retiree State Contributions	-	14,602
Rental Income	401,014	-
Other Miscellaneous	1,177	-
Total Operating Revenues	402,191	9,393,131
Operating Expenses		
Central Services	-	10,127,912
General Administrative	352,599	-
Total Operating Expenses	352,599	10,127,912
Operating Income (Loss)	49,592	(734,781)
Nonoperating Revenues		
Investment Income	93	-
Transfers in	6,331,168	734,781
Total Operating Revenues	6,331,261	734,781
Change in Net Assets	6,380,853	-
Net Assets, June 30, 2010	-	-
Net Assets, June 30, 2011	\$ 6,380,853	\$ -

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Fund - Timbers	Governmental Activities Internal Service
Cash Flows from Operating Activities		
Cash Premiums Received	\$ -	\$ 5,624,250
Receipts from Customers	402,191	-
Receipts from Other Funds	274,091	-
Payments for Claims and Benefits	-	(8,985,885)
Payments to Suppliers	(258,222)	-
Payments to Employees	(15,910)	-
Net Cash Provided by (Used in) Operating Activities	402,150	(3,361,635)
Cash Flows from Non-Capital Financing Activities		
Transfers from Other Funds	-	734,781
Net Cash Provided by Non-Capital Financing Activities	-	734,781
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(6,331,168)	-
Transfers from Other Funds	6,331,168	-
Net Cash Provided by Capital and Related Financing Activities	-	-
Cash Flows from Investing Activities		
Interest Income	93	-
Net Cash Provided by Investing Activities	93	-
Net Increase (Decrease) in Cash	402,243	(2,626,854)
Cash at Beginning of Year	-	5,385,333
Cash at End of Year	\$ 402,243	\$ 2,758,479

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Cash Flows (Continued)
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Fund - Timbers	Governmental Activities Internal Service
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 49,592	\$ (734,781)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation	60,955	-
Changes in:		
Other Receivables	-	1,436,764
Due from Other Funds	-	(4,874,069)
Accounts Payable	17,512	(416,112)
Deferred Revenue	-	443,545
Due to Other Funds	274,091	453,082
Claims Payable	-	329,936
Net Cash Provided by (Used in) Operating		
Activities	\$ 402,150	\$ (3,361,635)

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Trust Funds	Agency Funds
Assets		
Cash and Cash Equivalents	\$ -	\$ 307,376
Investments	200,587	-
Accounts Receivable	510	-
Due from Other Funds	317,215	-
Total Assets	518,312	307,376
Liabilities		
Accounts Payable	-	33,010
Due to Student Groups	-	274,366
Total Liabilities	-	307,376
Net Assets		
Held in Trust for Various Purposes	\$ 518,312	\$ -

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Changes in Fiduciary Net Assets.
Fiduciary Funds
Fiscal Year Ended June 30, 2011

	Trust Funds
Additions	
Other Miscellaneous	\$ 62,959
Interest and Investment Loss	(51,716)
Total Additions	11,243
Deductions	
Administrative Expenses	5,599
Changes in Net Assets	5,644
Net Assets - Beginning	512,668
Net Assets - Ending	\$ 518,312

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. General Information

The Orleans Parish School Board (School Board) is a corporate body created under Louisiana Revised Statutes 17:51 and 17:121. A board consisting of seven members (the Board) elected from legally established districts is charged with the management and operation of the school system.

The school system, prior to Hurricane Katrina was composed of a central office, 125 schools and support facilities. Student enrollment prior to the hurricane was approximately 60,000. Prior to the hurricane, the School Board employed approximately 8,000 persons, approximately 6,000 of whom were directly involved in the instructional process. The remaining 2,000 employees provided ancillary support such as general administration, repair and maintenance, business and central services, bus transportation and food service.

As of August 29, 2005, the majority of the employees of the School Board were put on Disaster Leave and on March 24, 2006, approximately 8,000 of the School Board's employees were terminated. As of the report date, the School Board has approximately 670 full-time or part-time employees of which approximately 440 are involved in the instructional process.

In November 2005, Louisiana House Bill 121 (Act 35) transferred control of each School Board school deemed to be in academic crisis, as determined by standardized student testing results, resulting in approximately 83% (106 schools) of the School Board's former schools being transferred to the Louisiana State Department of Education's Recovery School District (RSD). The RSD is responsible for providing all educational services to students attending the School Board transferred schools. Act 35 provided for the transfer of operational and managerial control of the transferred schools for a period of not less than five years. Further, Act 35 provides the RSD with authorization to manage and retain funding under the Minimum Foundation Program corresponding to the students attending the transferred schools. While the School Board retains ownership of each School Board transferred school, all rights and responsibilities associated with property ownership were transferred to the RSD.

As of the report date, the School Board is operating six schools and two programs with approximately 2,900 students. The School Board also has eleven charter schools opened and operating that have approximately 7,300 students. The School Board is working collaboratively with the RSD to ensure that a sufficient number of additional schools are opened to provide educational services to the New Orleans student population.

The regular school term begins in mid-August and runs through late May.

Note 2. Summary of Significant Accounting Policies

The School Board complies with accounting principles generally accepted in the United States of America (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. The following is a summary of the School Board's significant accounting policies:

Financial Reporting Entity

GASB Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the School Board to impose its will on that organization.
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the School Board.
2. Organizations for which the School Board does not appoint a voting majority, but are fiscally dependent on the School Board.
3. Organizations for which the reporting entity's financial statements would be incomplete or misleading if data of the organization is not included due to the nature and significance of the relationship.

Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board has ten component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected School Board members are financially accountable. Copies of submitted audited financial statements are available on the legislative auditor's web site at www.la.state.la.us. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government over which the School Board exercises no authority, such as the City-Parish government and other independently elected officials, are excluded from the accompanying financial statements. These units of government are considered separate from those of the School Board. The School Board is not a component unit of any other entity.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Component units which require inclusion in the basic financial statements are as follows:

Component Units	Number of Students
Charter Schools	
*Audubon Charter School	672
*Ben Franklin High School	647
*Warren Easton Senior High School	855
*Einstein Charter School	429
*Hynes Charter School	532
*Lake Forest Elementary Charter School	457
*Lusher Charter School	1,630
*New Orleans Charter Science and Math High School	366
*Robert Russa Moton Charter School	239
*Algiers Charter Schools	
Alice M. Harte Elementary	630
Edna Karr High School	863
Total Charter Student Enrollment	7,320

* Submitted 6/30/11 audited financial statements.

Primary Government	Number of Students
Orleans Parish School Board Schools	
Schools:	
Bethune Elementary School	334
McDonogh No. 35 High School	933
McMain High School	646
Benjamin Franklin Elementary Math and Science	576
Mahalia Jackson Elementary School	45
** Priestley School of Architecture and Construction	247
Programs:	
Alternative Learning Center	90
Youth Study Center	24
Total OPSB Student Enrollment	2,895

** In the fiscal year ended June 30, 2010 financial statements of the School Board, Priestley School of Architecture and Construction (Priestley) was included as a component unit. During fiscal year ended June 30, 2011, Priestley's charter was revoked and the school was taken over by the Orleans Parish School Board. As a result, Priestley was not included with the component units as of June 30, 2011 and total beginning net assets for the year ended June 30, 2010 differs from the previously issued June 30, 2010 financial statements by \$242,944.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The School Board's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major funds and combined non-major funds). Separate financial statements are provided for governmental funds and proprietary funds. The statements are prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their proprietary funds, subject to the same limitation. The School Board has elected not to follow subsequent private-sector guidance.

Government-Wide Financial Statements

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Operating grants and contributions consist of the many educational grants received from the federal and state government.

As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The internal service funds provide services to the governmental funds. Accordingly, the internal service funds activities were rolled up into the governmental activities in the Government-Wide Financial Statements. Pursuant to GASB Statement No. 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

The Fund Financial Statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

The daily accounts and operations of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the School Board are classified into three broad categories: Governmental, Proprietary and Fiduciary. In turn, each category is divided into separate fund types.

Governmental Fund Types

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs for various educational objectives and child nutrition services.

Debt Service Funds - Debt Service Funds, established to meet requirements of bond ordinances and other long-term borrowing, are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs and some capitalized leases. A separate Debt Service Fund is maintained for each similar bond issue type (e.g., General Obligation Bonds, Refunding Bonds, EPA Loans) or each refunding, unique issue, or long-term loan currently outstanding.

Capital Projects Funds - Capital Projects Funds are used to account for the receipt and disbursement of the proceeds of general bond issues and other special or designated revenues used for the acquisition or construction of major capital facilities, renovations and major repairs (other than General Fund capital outlays, and Special Revenue Fund capital outlays).

Proprietary Fund Type

Enterprise Fund - Timbers - An enterprise fund established to account for the rental receipts and operating costs of a five story building located at 3520 General DeGaulle Drive, New Orleans, LA. The Timbers Enterprise Fund is reported as a major fund.

Internal Service Funds - Internal Service Funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The Employee Health Insurance Fund, Retiree Health Insurance Fund, Workers' Compensation Insurance Fund and E-Rate Fund are reported as Internal Service Funds.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Governmental Fund Types (Continued)

Fiduciary Fund Types

Agency Funds - Agency Funds are used to account for assets held by the School Board as an agent for individuals, private organizations or other governmental units and/or other funds. The School Board has one agency fund which is used to account for those monies collected by pupils and school personnel for school and school-related purposes.

Trust Funds - Trust Funds are created to account for cash, investments and other resources contributed by various individuals to the School Board to be expended for purposes for which the trusts were established.

In accordance with GASB, the Fiduciary Funds information is presented separately within this report and is not included in the Government-Wide Financial Statements or Fund Financial Statements.

Major Funds

The School Board reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is reported as a major fund.

Pass - Through Fund - Special revenue fund established to account for the collection of ad valorem taxes, sales taxes and certain state funding. These revenues are then transferred to the appropriate funds or other entities. The Pass - Through Fund is reported as a major fund.

General Obligation Bond Fund - Debt service fund established to account for the accumulation of resources for and payment of long-term debt principal, interest and related costs on outstanding general obligation bonds issued by the School Board. Fund revenues include receipt of ad valorem taxes from constitutional millage and interest earned on cash balances. Additionally, the School Board may transfer from the General Fund amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations. The General Obligation Bond Fund is reported as a major fund.

Refunding Bond Fund - Debt service fund established to account for the accumulation of resources for and payment of long-term debt principal, interest and related costs on outstanding refunding bonds issued by the School Board. Fund revenues include receipt of sales and use taxes and interest earned on cash balances. Additionally, the School Board may transfer from the General Fund amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations. The Refunding Bond Fund is reported as a major fund.

Hurricane Katrina Restoration Fund - Capital projects fund established to account for receipts and expenditures for projects funded by FEMA grant monies for reimbursement of allowable expenditures. Fund expenditures are used for mold remediation inside flooded schools, repairs and major construction to hurricane damaged schools, school facilities and administrative facilities. The Hurricane Katrina Restoration Fund is reported as a major fund.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Major Funds (Continued)

Capital Projects Fund - Capital projects fund established to account for the receipts and disbursements for projects funded from the sales of surplus properties and insurance proceeds. Fund expenditures are used for both new construction and the renovation of existing facilities. The Capital Projects Fund is reported as a major fund.

Gulf Opportunity Bond Fund - Debt service fund established for funds received which were authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006. These funds are utilized to assist in payment of debt service requirements from 2006 through 2008 due to disruption of revenue streams caused by Hurricanes Katrina and Rita. The Gulf Opportunity Bond fund is reported as a major fund.

Federal Grant Fund - Special revenue fund established to account for revenues from federal sources which are legally restricted to expenditures for specified purposes. The Federal Grant Fund is reported as a major fund.

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The GWFS are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Fund and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Proprietary Fund type's operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. For the Enterprise Fund - Timbers, the principal operating revenues are charges to tenants for rent, and operating expenses include costs to maintain and operate the building. In the Internal Service Funds, current premium and claims expenses or increases in claims estimates occurring in the current period are considered operating expenses. Contributions received which are related to these operating expenses are considered operating revenues. Interest earned on bank accounts or monies received from other funds which exceed their allocated share of the current operating expenses of the Proprietary Fund are considered non-operating revenues or transfers-in to the fund.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (FFS) (Continued)

The Governmental Fund type is accounted for on the modified accrual basis of accounting. The following paragraphs describe the revenue recognition practices under that basis.

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The School Board's definition of available means expected to be received within sixty days of the end of the fiscal year for property taxes and generally the next twelve months for other revenues. Revenues not considered available are recorded as deferred revenues.

Non-exchange transactions, in which the School Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes are considered measurable when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

The Proprietary Fund and Trust Funds are accounted for using the accrual basis of accounting; revenues are recognized when earned and expenses are recognized when incurred.

Budget and Budgetary Accounting

The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

The General Fund and the Special Revenue Funds are the only funds with legally required budgets. The General Fund budget and the Special Revenue Funds' budgets are adopted on an annual basis. These budgets include proposed expenditures and the means of financing them.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Budget and Budgetary Accounting (Continued)

Annually, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund and Special Revenues Funds. Public hearings are advertised and conducted to obtain taxpayer comments and the proposed budgets are published. The budget is adopted by the School Board and, as required, is submitted no later than September 30th to the State Department of Education for approval. The Superintendent is authorized to move budgeted items within the functional categories, the legal level of control, but may not increase the total amount authorized.

Expenditures for Special Revenue Fund budgets, except for the Child Nutrition Program, may not exceed budgeted amounts by more than five percent unless a budget revision is approved by the State Department of Education. For the Child Nutrition Program, budget amendments follow the same requirements as the General Fund.

The Capital Projects Funds' budgets are adopted on a project basis, since such projects may be started and completed at any time during the year or may extend beyond one fiscal year. Capital Projects Funds are allocated by project using architectural and engineering estimates. All projects remain programmed and funded until completed or until the School Board decides to eliminate the project. Accordingly, budget and actual comparisons are not reported in the basic financial statements for those funds.

Budgets are prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations at year end that have been approved by the Board are generally expended during the next fiscal year's operations, assuming that the underlying liability is ultimately incurred. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services; they are reported as restrictions of fund balance. Outstanding encumbrances are added to the budget in the subsequent year and are reported as expenditures when incurred. Encumbrances as of June 30, 2011 amounted to \$25,108,837.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include interest-bearing demand deposits and short-term investments as described below, with a maturity date within three months of the date of acquisition.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments (Continued)

State statutes authorize the School Board to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The School Board's Cash Management and Investment Policy requires that cash balances of all funds are combined and invested to the extent possible in direct obligations of the U.S. Government or its agencies, certificates of deposit and other short-term obligations. Interest earned on these investments is distributed to the individual funds on the basis of invested balances of the participating funds during the year.

Investments for the School Board are reported at fair value which exceeded book value by \$282,938.

Accounts Receivable

Management has recorded a \$605,718 allowance for the General Fund receivables from the charter schools, a \$492,332 allowance for the E-Rate Fund receivable, and a \$253,519 allowance for Federal Grant Fund receivables. Management considers all other receivables outstanding at June 30, 2011, to be fully collectible and as such, has no provision for uncollectible receivables recorded related to these receivables.

Inventory

Government-Wide Level

Inventory is stated at first-in, first-out (FIFO) cost and consists of food items held for consumption at the various schools. The cost of inventory items is recognized as an expense when used.

Fund Level

Inventory of the Child Nutrition Special Revenue Fund consists of food, lunchroom materials, and supplies purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at FIFO cost. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are valued at the market value at the date of donation based on market values provided by the USDA. The amount of commodity inventory is included in deferred revenue until consumed.

Long-Term Accounts Receivable - RSD and Return of Capital Assets from the RSD

As disclosed in Note 1, Act 35 transferred 106 schools from the School Board to the RSD. For the schools transferred to the RSD, the School Board recognized a receivable for the net book value of the land, buildings and equipment for the schools transferred.

For those schools that are returned to and accepted by the School Board from the RSD, Long-Term Accounts Receivable - RSD is reduced and capital assets are increased by the net book value of the land, buildings and equipment that were initially transferred to the RSD. Management will then perform an assessment to determine whether the land, buildings and equipment (the facilities) have incurred impairment, as well as perform an assessment to determine whether any significant enhancements or improvements have been made to the facilities.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Long-Term Accounts Receivable - RSD and Return of Capital Assets from the RSD (Continued)

For facilities deemed to be impaired, an impairment charge is recorded to the Government-Wide Financial Statements. For facilities which significant improvements or enhancements have been made, the value of the enhancements or improvements are recorded for the actual costs incurred for the new structure or improvements, net of the amount of depreciation calculated for the period from when the enhancements or improvements were initially placed in service by the RSD to the date in which the facilities were returned to the School Board. For those instances in which cost information is not available, a professional appraisal shall be obtained.

For facilities transferred to the School Board, depreciation resumes/initiates once the facilities are placed into service by the School Board. The remaining useful lives of facilities transferred to the School Board are evaluated for reasonableness. Depreciation on the facilities is recognized on a straight-line basis over the estimated remaining useful life.

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets as follows: movable capital assets with a cost of \$5,000 or more per unit, all land and land improvements with a cost of \$50,000 or more, and buildings and building improvements that extend the useful life of a building with a cost of \$50,000 or more.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are as follows: from 3 to 10 years for furniture and equipment, 5 to 8 years for transportation equipment, 5 to 20 years for equipment, 25 years for building improvements, 10 to 20 years for improvements other than building, and 20 to 40 years for buildings. Costs of assets damaged by Hurricane Katrina were reduced by the impairment and the adjusted cost depreciated over the assets' remaining useful life.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the GWFS as "internal balances."

Fund Equity

Beginning in fiscal year 2011, the School Board implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used.

Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions, or by enabling legislation.

Committed - amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body which the governing body delegates the authority.

Unassigned - amounts that are available for any purpose.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All interfund transfers are reported as operating transfers.

Compensated Absences

Under School Board policy, each employee is entitled to ten days of sick leave per year. Sick leave may be accumulated without limit; however, employees or their heirs are only reimbursed for accumulated sick leave up to twenty-five days upon death or retirement at the employees' current rate of pay. The accrual computation for earned sick leave is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination (non-retirement). Upon retirement, accumulated sick leave in excess of reimbursement may be used in the retirement benefit computation as earned service.

Full-time employees who work year-round are granted vacation in varying amounts (maximum of 22 days per year) as established by School Board policy. Such leave is credited on a pro rata basis at the end of each payroll reporting period and accumulates. All leave earned during any fiscal year must be taken within the following six month period or it is forfeited. Any unused leave may be paid to the employee at termination.

Sabbatical leave may be granted for medical or professional purposes. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous services, or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave is paid at 65% of salary. Sabbatical leave is accrued upon Board approval.

Deferred Revenues

The School Board reports deferred revenues when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds is amortized prospectively from the date of adoption of GASB Statement No. 34.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Restricted Net Assets

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 3. Deposits and Investments

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits are secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the School Board's name. At June 30, 2011, the carrying amount of the School Board's deposits (demand deposits) was \$121,556,471 and the related bank balances were \$122,779,510. This excludes cash equivalents of \$23,622,591, which are held in an investment fund. The entire bank balance of \$122,779,510 was covered by collateral held by the pledging banks' trust department or agent in the School Board's name at June 30, 2011.

In addition, four schools maintained Student Activity Funds with book and bank balances of \$307,376 and \$310,532, respectively. The bank balances of these accounts were secured by federal depository insurance and the pledge of securities held by the pledging banks agent in the School Board's name. These funds are not assets of the School Board, but rather assets held for the benefit of the students attending those schools and are reported as Agency Funds in the Required Supplementary Section and not included in the government-wide financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School Board has a formal investment policy that limits investment of amounts in excess of immediate cash requirements only to statutorily permitted investments.

Credit risk. State law limits investments to the following:

1. Direct United States Treasury obligations
2. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America
3. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored
4. Direct security repurchase agreements of any federal book entry only securities
5. Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks
6. Mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies
7. Guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service
8. Investment grade commercial paper of domestic United States corporations

The School Board has no investment policy that would further limit its investment choices.

Included in investments as of June 30, 2011, are marketable securities, which are uninsured investments for which the securities are held in a fiduciary trust fund, of \$200,587.

As of June 30, 2011, the School Board had the following investments:

Investment	Maturity Date	Book Value	Market Value
U.S. Treasury Notes	9/30/11-6/15/12	\$ 18,380,144	\$ 18,559,911
Federal Home Loan Mortgage Corp Note	12/15/2011	2,974,047	2,988,387
Federal National Mortgage Assoc. Note	2/16/2012	2,046,696	2,058,320
Federal National Mortgage Assoc. Note	4/20/2012	2,104,039	2,126,376
Federal National Mortgage Assoc. Note	5/18/2012	2,158,459	2,178,414
Federal Home Loan Bank Note	6/20/2012	3,466,731	3,501,646
		<u>\$ 31,130,116</u>	<u>\$ 31,413,054</u>

Concentration of Credit Risk - The School Board's investment in the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association are 11%, 10% and 20% of total investments, respectively.

The investments in the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal Home Loan Bank all have a credit rating of AA+ from Standard & Poor's and Aaa from Moody's Investors Service.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Tax

Ad valorem taxes were levied by the School Board on July 27, 2010 for the calendar year 2011, based on the assessed valuation of property as of October 2010. Values are established by the Orleans Parish Assessors' Offices each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property. The taxes become due on January 1 of each year, and become delinquent on February 1. Before the taxes can be collected, the assessment list (tax roll) must be submitted to the Louisiana Tax Commission for approval. From the day the tax roll is filed in the Board of Tax Commission, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the year for the payment of the tax due on it. Ad valorem taxes are collected by the City of New Orleans and remitted to the School Board on a periodic basis. The taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the School Board's fiscal year.

The following is a summary of authorized and levied ad valorem taxes:

		Authorized Millage	Levied Millage	Expires
Constitutional Millage		27.65	27.65	Not Applicable
Dedicated Millage				
Purpose A	School Books, Materials and Supplies	1.55	1.55	2018
Purpose B	Early Childhood, Discipline and Dropout Programs	0.36	0.36	2018
Purpose C	Employee Salary, Benefits and Incentives	7.27	7.27	2018
Purpose D	Air Conditioning, Asbestos Removal and Facilities	2.32	2.32	2028
School Board General Obligation Bond Taxes		4.97	4.97	2025
Total Millage			<u>44.12</u>	

On July 19, 2008, the voters of Orleans Parish approved an extension of the Dedicate Millage for Purposes A, B and C for another 10 years, and Purpose D for another 20 years.

All ad valorem taxes are recorded on the basis explained in Note 2. For governmental funds, revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year - end. The School Board records these taxes gross of the assessor's and City's collection fees, which amounted to approximately \$2,215,880 and \$2,215,880, respectively, for the year - ended June 30, 2011.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Tax (Continued)

Since ad valorem taxes receivable are secured by property, there is no allowance for uncollectible taxes.

Sales taxes are assessed and due on the first day of the month subsequent to the month of sale of any retail sales of goods used or consumed within Orleans Parish, including leases and rentals of movable tangible property. The rate of sales tax dedicated to the School Board is one and one-half percent. Revenues arising from the one percent sales tax authorized by the voters of Orleans Parish in 1966 are used exclusively for the payment of salaries of teachers and/or for the general operations of the School Board. The proceeds of the one-half percent sales tax, which was authorized in 1980, are used for the payment of salaries of teachers and other educational employees of the School Board, for the expenses of maintaining and operating schools and for providing funds to pay for capital improvements.

Sales taxes which remain uncollected on the twenty-first day of the month due are classified as delinquent. Sales taxes are collected by the City of New Orleans and the State of Louisiana and are remitted monthly to the School Board. The School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees, which amounted to approximately \$2,032,392, for the year ended June 30, 2011.

During the fiscal year ended June 30, 2010, the School Board increased its millage from 20.11 mills to 25.76 mills. The Louisiana Legislative Auditor notified the City of New Orleans (the "City") that it determined that the School Board did not comply with applicable laws and regulations regarding publication and public hearing requirements pertaining to millage increases. As a result, the City escrowed \$12,856,269 of property taxes corresponding to the increase in the School Board's millage. The School Board disagreed with the determination made by the Louisiana Legislative Auditor, and contends that it proceeded in accordance with laws and regulations regarding publication and public hearing requirements pertaining to millage increases. Based on this contention, the School Board and the City entered into a Millage Release Acknowledgement and Indemnification Agreement (the "Agreement") in August 2010, whereby the City agreed to release the escrowed property taxes to the School Board based upon the School Board's agreement to indemnify the City from any and all costs associated with (i) any challenge to the School Board's levy of the additional mills, (ii) the City's collection of the additional mills, and (iii) the City's release of the escrowed property taxes to the School Board pursuant to the Agreement. The School Board's liability, if any, would only be the amount received by the School Board as calculated by the Local Distribution Formula.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2011, are as follows:

	Land*	Buildings and Improvements	Furniture and Equipment	Construction in Process*	Total
Governmental Activities					
Assets at Cost					
Balance at June 30, 2010	\$ 7,696,157	\$ 123,326,516	\$ 16,084,439	\$ 20,263,539	\$ 157,370,751
Additions	-	1,776,142	500,004	19,544,237	21,820,383
Deletions	(412,698)	(3,552,099)	(5,680,891)	(320,238)	(9,965,926)
Transfers	-	16,668,241	-	(16,668,241)	-
Transfers from RSD	17,508	500,684	-	-	518,192
Balance at June 30, 2011	7,300,967	138,719,484	10,903,552	22,819,397	179,743,400
Accumulated Depreciation					
Balance at June 30, 2010	-	65,874,776	10,210,751	-	76,085,527
Additions	-	2,736,110	1,721,075	-	4,457,185
Deletions	-	(3,150,189)	(5,572,382)	-	(8,722,571)
Balance at June 30, 2011	-	65,460,697	6,359,444	-	71,820,141
Total Governmental Activities					
Capital Assets, Net of Accumulated Depreciation at June 30, 2011	\$ 7,300,967	\$ 73,258,787	\$ 4,544,108	\$ 22,819,397	\$ 107,923,259
Business-Type Activities					
Assets at Cost					
Balance at June 30, 2010	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	1,440,992	4,890,176	-	-	6,331,168
Deletions	-	-	-	-	-
Transfers	-	-	-	-	-
Transfers from RSD	-	-	-	-	-
Impairment	-	-	-	-	-
Balance at June 30, 2011	1,440,992	4,890,176	-	-	6,331,168
Accumulated Depreciation					
Balance at June 30, 2010	-	-	-	-	-
Additions	-	60,955	-	-	60,955
Deletions	-	-	-	-	-
Impairment	-	-	-	-	-
Balance at June 30, 2011	-	60,955	-	-	60,955
Total Business-Type Activities					
Capital Assets, Net of Accumulated Depreciation at June 30, 2011	\$ 1,440,992	\$ 4,829,221	\$ -	\$ -	\$ 6,270,213
Total Primary Government					
Capital Assets, Net of Accumulated Depreciation at June 30, 2011	\$ 8,741,959	\$ 78,088,008	\$ 4,544,108	\$ 22,819,397	\$ 114,193,472
* Not being depreciated					

The School Board reviewed its capital assets for impairment and determined that some buildings were impaired. The value was adjusted for a total of \$433,974 as of June 30, 2011.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 5. Capital Assets (Continued)

Depreciation expense, loss on disposals, and impairment for the year ended June 30, 2011, was charged to the following governmental functions:

	Depreciation	Loss on Disposals
Instruction		
Regular Education Programs	\$ 670,832	\$ 187,132
Special Education Programs	304,686	84,994
Other Education Programs	1,062,283	296,330
Support		
Student Services	259,481	72,383
Instructional Staff Services	403,041	112,430
General Administration	651,400	181,712
School Administration	104,580	29,173
Business and Central Services	118,146	32,958
Transportation Services	169,480	47,277
Central Services	148,673	41,473
Plant Services	564,583	157,493
Total	\$ 4,457,185	\$ 1,243,355

Note 6. Defined Benefit Pension Plans

Plan Description - Substantially all School Board employees participate in either the Teachers' Retirement System of Louisiana or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems. Each system is administered and controlled at the State level by a separate board of trustees with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is primarily divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. Five years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits under each plan.

Each of the Systems issues a publicly available financial report on an annual basis that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or viewing their websites:

Teachers' Retirement System of Louisiana

8401 United Plaza Blvd., 3rd Floor
P.O. Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446
www.trsl.org

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 6. Defined Benefit Pension Plans (Continued)

Louisiana School Employees' Retirement System

8660 United Plaza Blvd., 1st Floor
P.O. Box 44516
Baton Rouge, LA 70804
(225) 925-6484
www.lasers.state.la.us

Funding Policy - Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2011, for the School Board and covered employees were as follows:

	School Board	Employees
Teachers' Retirement System of Louisiana		
Regular Plan	20.2%	8.0%
Plan B	20.2%	5.0%
Louisiana School Employees' Retirement System	24.3%	7.5% / 8.0% *

* 8.0% effective 7/1/10 for new LSERS members

As provided by Louisiana Revised Statute 11:103, the School Board's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The contributions made to the systems for the past three fiscal years, which substantially equaled the required contributions for each of these years, were as follows:

	2011	2010	2009
Teachers' Retirement System of Louisiana	\$ 4,422,602	\$ 3,177,980	\$ 3,200,986
Louisiana School Employees' Retirement System	\$ 96,936	\$ 83,636	\$ 138,907

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB)

In accordance with state statutes, the School Board provides certain post employment health care to its retired employees. Substantially all of the School Board's employees may become eligible for such benefits upon reaching retirement age, if they are currently participating in the active health plan. Starting on February 1, 2006, the School Board paid approximately 25% of the health insurance costs for retired employees and their covered dependents. Retirees contribute 75% of the retiree and dependent coverage premiums. Retirees who are eligible for Parts A and B of Medicare pay a reduced premium for health coverage. Prior to February 1, 2006, the School Board had a traditional fully-insured Health Insurance Plan and recorded expenditures as premiums were paid. On February 1, 2006, the School Board changed to a self insured Health Insurance Plan and records expenditures as amounts are remitted to Blue Cross Blue Shield Louisiana, a third party administrator that reimbursed medical providers for participant claims. For the year ended June 30, 2011, the School Board's cost for providing all health care benefits to the 597 retired employees and their dependents amounted to \$1,724,779.

Effective with the fiscal year beginning July 1, 2007, the School Board implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45)*.

Annual OPEB Cost

The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period not to exceed thirty years. A level dollar, closed amortization period has been used. The total ARC for the fiscal year beginning July 1, 2010 is \$1,472,000, as set forth below.

Normal Cost	\$ 51,000
Interest on Normal Cost	2,000
Amortization Payment	1,358,000
Interest on Amortization Payment	61,000
	<u> </u>
Annual Required Contribution (ARC)	\$ 1,472,000

The following table shows the School Board's OPEB Obligation for the fiscal year 2011:

Beginning Net OPEB Obligation, July 1, 2010	\$ 2,154,000
Annual Required Contribution	1,472,000
Interest on Net OPEB Obligation	97,000
ARC Adjustment	<u>(82,000)</u>
OPEB Cost	1,487,000
Contributions Made	
Current Year Retiree Premium	<u>1,988,000</u>
Change in Net OPEB Obligation	<u>(501,000)</u>
Ending Net OPEB Obligation, June 30, 2011	\$ <u>1,653,000</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

The following table shows the School Board's annual Post-Employment Benefits (PEB) cost, percentage of the cost contributed, and the net unfunded Post-Employment Benefits (PEB) liability:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net PEB Liability (Asset)
June 30, 2011	\$ 1,487,000	133.69%	\$ 1,653,000
June 30, 2010	\$ 1,423,000	137.81%	\$ 2,154,000
June 30, 2009	\$ 749,771	225.40%	\$ (1,616,140)

Funded Status and Funding Progress

In the fiscal year ended June 30, 2011, the School Board made no contributions to its post employment benefits plan trust since such a trust had not been established. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2010, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$33,572,000, which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010-2011, the entire actuarial liability of \$33,572,000 was unfunded. Below is the schedule of funding progress for the year ended June 30, 2011:

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2011	7/1/2010	\$ -	\$ 33,572,000	\$ 33,572,000	0%	\$ 27,102,116	124%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) termination probabilities; (2) retirement rate; (3) health care cost trend rate; (4) participation assumption; (5) mortality rate and age based morbidity; (6) discount rate (investment return assumption); (7) non-claim expenses; and (8) salary increase assumption. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets

Since the ARC has not yet been funded, there are not any assets. It is anticipated that, if funding should take place in the future, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6) would be used, as provided in paragraph number 125 of GASB Statement No. 45.

Turnover Rate

Annual termination probabilities have been developed from the Municipal Employees' Retirement System Actuarial Valuation Report as of June 30, 2008. Sample rates are as follows:

<u>Years of Service</u>	<u>Rate</u>
1	0.24
2	0.19
3	0.16
4	0.12
5	0.1
6 - 8	0.08
9 - 10	0.06
11 - 13	0.05
14 - 16	0.03
17 - 20	0.01

Expected Time of Commencement of Benefits and Eligibility

Medical benefits are provided to employees upon retirement according to the retirement eligibility (D.R.O.P. entry) provisions of Teachers' Retirement System of Louisiana (TRSL) as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 5 years of service. Some employees are covered by other plans and are also eligible to retire at age 65 and 6 years of service. It is assumed that entitlement to benefits will commence three years after meeting eligibility to enter D.R.O.P.

Investment Return Assumption (Discount Rate)

GASB Statement No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will be funded, a 4.5% annual investment return has been used in this valuation.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

Health Care Cost Trend Rate

The health care cost trend assumption is used to project the cost of health care to future years. The valuation uses a health care cost trend rate assumption of 8.00% in the year July 1, 2010 to June 30, 2011, grading down until reaching an ultimate health care cost trend rate of 5.00% in 2020, as follows:

2011 - 2013	8.0%
2014	7.9%
2015	7.8%
2016	7.7%
2017	7.6%
2018	6.7%
2019	6.0%
2020 and Later	5.0%

Participation Assumption

The participation assumption is the assumed percentage of future retirees that participate and enroll in the health plan. The participation assumption used in this valuation is 25% for pre-65 retirees and 70% of pre-65 enrollees continuing coverage beyond age 65, and is based on data provided by the School Board.

Per Capita Health Claim Cost

Per capita health claim costs are developed from historical claims experience and stop loss reimbursements from June 2008 through May 2010, and age-adjusted for retirees age 60 and age 70. The annual per capita health claim costs for retirees and spouses in the period July 1, 2010 to June 30, 2011, are:

Age 60	\$7,360
Age 70	\$9,663

Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age. The increase in per capita health claim costs related to age are assumed to be the following:

Age	Increase
42 - 46	3.19%
47 - 51	3.89%
52 - 56	3.58%
57 - 61	4.52%
62 - 64	5.06%

Salary Increase Assumption

The salary increase assumption is 3.5% per annum.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee. These amounts are provided in the table below, effective September 1, 2010:

Expense Type	Cost Per Retired Employee Per Month
	PPD
Stop Loss - Specific (Single)	\$15.10
Stop Loss - Specific (Family)	\$54.70
Administrative Fee	\$33.10

It is assumed that these expenses increase with health care cost trend.

Note 8. Long-Term Obligations

All of the bonds and notes payable of the School Board are reported in the Government-Wide Financial Statements and are serviced by the debt service funds with revenues as described below.

Bonds Payable	Range of Interest in Remaining Years	Final Maturity	Balance as of June 30, 2011
Refunding Bonds			
Series 1991 - Issued December 1, 1991	7.15 - 7.65%	2/1/2015	\$ 9,700,767
Series 1995 A&B - Issued December 1, 1995	5.20 - 6.65%	2/1/2014	13,425,000
Series 2010 - Issued September 1, 2011	3.00 - 5.00%	9/1/2020	97,005,000
Debt Service Assistance Program Loan	4.64%	7/15/2026	76,160,936
Community Disaster Loan	2.93 - 2.94%	8/27/2016	18,570,148
Total			\$ 214,861,851

Refunding Bonds

The Refunding Bonds are special limited School Board obligations payable from and secured by pledge of and lien on ad valorem taxes, sales taxes and revenue sharing. The bonds do not constitute general indebtedness or pledge of the general credit of the School Board.

\$121,698,366 Public School Refunding Bonds, Series 1991, dated December 1, 1991, partially refunded by the Series 1995 A and B Bonds described below - The purpose of these bonds was to refund the Public School Refunding Bonds, Series 1990. The bonds are insured and are payable from the one-half percent Dedicated Sales Tax and the Constitutional Millage.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

Refunding Bonds (Continued)

\$98,970,000 (1995A-Taxable) and \$22,815,000 (1995B-Tax Exempt) Public School Refunding Bonds, dated December 1, 1995 - The purpose of these bonds was to redeem \$105,038,118 principal plus interest of \$8,866,381 on the Capital Appreciation Bonds of the Public School Refunding Bonds, Series 1991, which were subsequently called and are no longer outstanding. The bonds are insured and are payable from: (1) one-half percent Dedicated Sales Tax and (2) Constitutional Millage, subject to a prior and superior pledge of the tax in favor of the owners of the School Board's outstanding Refunding bonds, Series 1995. These bonds partially refunded the Capital Appreciation Bonds.

\$97,005,000 Public School Refunding Bonds, dated September 1, 2010 - The purpose of the bonds was to refund the outstanding (a) General Obligation School Bonds Series 1995, (b) General Obligation School Bonds, Series 1996, (c) General Obligation School Bonds, Series 1997, (d) General Obligation School Bonds, Series 1997A, (e) General Obligation School Bonds, Series 1998A, and (f) General Obligation School Bonds, Series 1998B. The debt will be paid from the unlimited ad valorem taxation.

Debt Service Assistance Program Loan

In July 2006, the School Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend the School Board State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan were made as debt service payments became due. No principal or interest shall be payable during the initial five year period of the loan. After the expiration of the initial five year period, the loan shall bear interest at a fixed rate of 4.64%. Principal payments on the bonds begin in July 2012 and the loan will mature in July 2026. Interest is payable semi-annually on January 15th and July 15th beginning January 2012. The loan may be prepaid without penalty or premium. The School Board has the right to request one extension of its obligation to begin payments under the loan not to exceed five years. As of June 30, 2011, the School Board has drawn down \$76,160,936 on this agreement.

Community Disaster Loan

On August 27, 2006, the Federal Emergency Management Agency (FEMA), under the provisions of the Community Disaster Loan Act of 2005, approved the School Board's second application for a disaster loan in the amount of \$33,045,240. On April 18, 2006, the School Board's first application was approved in the amount of \$26,430,814, of which \$25,001,093 was drawn down during fiscal year 2006. The School Board drew down the remaining \$1,479,721 and the entire \$33,045,240, related to the amounts approved during the fiscal years ended June 30, 2006 and 2007, respectively. The purposes of these loans were to allow the School Board to carry on existing governmental functions and to expand such functions to meet disaster-related needs. The term of these loans are for five years with an interest rate that is based on the five year Treasury rate on the date the Promissory Note is signed by FEMA, plus 1% rounded to the nearest 1/8%, and reducing this total by one half. The interest rates are 2.94% and 2.93% for the loans approved during the fiscal years ended June 30, 2006 and 2007, respectively.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

Community Disaster Loan (Continued)

The School Board applied for cancellation of \$40,905,906 of the total loans as well as an extension of five years to repay the balance. The School Board was granted the extension and cancellation of \$40,905,906, as well as the interest accrued on that portion of the debt. As such, the Debt Service Requirements schedule below reflects the principal and interest payments as long term. Interest accrues on a simple interest basis from date of receipt of loan proceeds. The loans are collateralized with the School Board's future revenue after provision has been made for payments required in connection with any outstanding bond indebtedness in existence at the time of these CDL loans. As of June 30, 2011, the outstanding principal and accrued interest payable on these loans were \$18,570,148 and \$2,584,873, respectively. During the year, the School Board applied for and was granted additional loan cancellation as further described in Note 21.

Defeased Bonds

In October 1990, the School Board entered into a \$104,510,380 advance refunding transaction (Series 1990) for a portion of the School Board's Series 1987 Bonds. These securities were deposited in a trust with an escrow agent to provide for all the future debt services payments. Accordingly, the escrow account and the liability for the bonds are not included in the School Board's statement of net assets. As of June 30, 2011, the outstanding principal balance of the Series 1987 Bonds totaled \$13,710,000.

In March 1998, the School Board entered into an \$8,155,000 refunding transaction (Series 1998B) for a portion of the School Board's Series 1995 General Obligations maturing September 2020. At June 30, 2011, the outstanding principal balance of the 1995 bonds, which are not included in the School Board's balance sheet, as they are considered defeased, totaled \$7,140,000.

EPA Loans

Approval was obtained from the State Bond Commission to issue promissory notes on an interest-free basis, repayable over a twenty year period. Proceeds from the notes finance the removal of asbestos from certain school buildings. There were five EPA loans, all of which have been paid off as of June 30, 2011.

Debt Service Requirements

The annual requirements to amortize all long-term debt outstanding at June 30, 2011, excluding capital leases, accrued compensated absences and claims payable is as follows:

Year Ending June 30,	Refunding Bonds		GO Zone Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 15,759,240	\$ 14,724,650	\$ -	\$ 1,766,934
2013	16,327,321	14,660,994	3,626,190	3,449,740
2014	16,435,329	14,536,106	3,794,445	3,277,581
2015	10,088,877	5,337,871	3,970,507	3,097,434
2016	9,905,000	2,692,950	22,793,037	12,478,451
2017-2021	51,615,000	6,117,725	28,595,049	6,541,832
2022-2025	-	-	13,381,708	627,950
Total	\$ 120,130,767	\$ 58,070,296	\$ 76,160,936	\$ 31,239,922

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

Debt Service Requirements (Continued)

Year Ending June 30,	Community Disaster Loan		Total - All Debt	
	Principal	Interest	Principal	Interest
2012	\$ 351,786	\$ 3,079,412	\$ 16,111,026	\$ 19,570,996
2013	4,086,404	488,536	24,039,915	18,599,270
2014	4,206,400	368,540	24,436,174	18,182,227
2015	4,331,008	243,932	18,390,392	8,679,237
2016	4,459,170	115,769	37,157,207	15,287,170
2017-2021	1,135,380	8,362	81,345,429	12,667,919
2022-2025	-	-	13,381,708	627,950
Total	\$ 18,570,148	\$ 4,304,551	\$ 214,861,851	\$ 93,614,769

Long-Term Obligations	Beginning Balance	Additions/ Change in Estimates	Retirements/ Debt Forgiveness	Ending Balance	Balance Due Within One Year
General Obligation Bonds					
Series 1995	\$ 22,780,000	\$ -	\$ 22,780,000	\$ -	\$ -
Series 1996	21,995,000	-	21,995,000	-	-
Series 1997	23,425,000	-	23,425,000	-	-
Series 1997A	23,425,000	-	23,425,000	-	-
Series 1998A	24,910,000	-	24,910,000	-	-
Series 1998B	7,760,000	-	7,760,000	-	-
Refunding Bonds					
* Series 1991	13,036,854	-	3,336,087	9,700,767	3,189,240
Series 1995 A&B	18,080,000	-	4,655,000	13,425,000	4,570,000
Series 2010	-	97,005,000	-	97,005,000	8,000,000
Unamortized Premium on 2010 Bond	-	7,800,175	650,015	7,150,160	780,017
Loans					
Debt Service Assistance Program Loan	76,160,936	-	-	76,160,936	-
Community Disaster Loan (CDL)	59,476,054	-	40,905,906	18,570,148	2,584,873
EPA Loans	196,291	-	196,291	-	-
Capital Leases					
Energy Retrofit Lease 06/26/03	964,000	-	964,000	-	-
Interest Payable on Refunding Series 1991	33,512,678	3,387,785	9,442,663	27,457,800	9,916,100
Interest Payable on CDL	6,828,314	1,192,417	5,435,858	2,584,873	2,584,873
Accrued Compensated Absences	14,294,718	-	6,003,988	8,290,730	-
Liability for Claims Payable	41,524,068	(3,084,023)	975,000	37,465,045	-
Total Long-Term Obligations	\$ 388,368,913	\$106,301,354	\$196,859,808	\$ 297,810,459	\$ 31,625,103

*Interest is compounded and due in the future on previous years interest payable which was recorded as principal.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

Bond Indentures

There are a number of limitations and restrictions contained in the various bond indentures. The School Board is in compliance with all significant covenants.

Statutory Debt Limit

As of June 30, 2011, the statutory debt limit for general obligation bonds was \$968,353,964, and the net legal debt margin was \$888,181,467. The School Board has no general obligation bonded debt outstanding as of June 30, 2011.

At June 30, 2011, the primary government has accumulated \$120,595,030 in the debt service funds for future debt requirements.

Note 9. Leases

Operating Leases

The School Board has a number of operating leases for land, buildings and equipment used for schools and administrative centers. For these leases, the School Board has, as of June 30, 2011, contractual agreements requiring the following annual rental payments:

Fiscal Year Ending June 30,	Amount
2012	\$ 2,185,798
2013	1,041,313
	<u>\$ 3,227,111</u>

Rental expenditures under operating leases for facilities for the year ended June 30, 2011, amounted to \$1,478,316.

On January 31, 2011, the School Board purchased the building in which its offices are held and created the Enterprise Fund - Timbers Fund. The leases for other tenants in the building were transferred to the School Board at this time. Future annual rental payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2012	\$ 642,060
2013	300,195
2014	72,424
2015	38,354
Total	<u><u>\$ 1,053,033</u></u>

In 2012, \$380,000 is expected to be charged internally to the School Board for rent and utilities.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 9. Leases (Continued)

Capital Leases

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. Energy retrofit improvements for 1996-1997 were expensed or are considered fully depreciated.

On April 1, 1996, the Louisiana Public Facilities Authority (LPFA) issued \$11,175,000 Lease Revenue Bonds (Orleans Parish School Board Energy Retrofit Project), Series 1996. The bonds were limited and special obligations of the LPFA and were secured by a Trust Indenture, dated April 1, 1996. The LPFA used the proceeds from the sale of the bonds to: (1) purchase from the School Board certain energy retrofit improvements and equipment for all public school buildings of the School Board (hereinafter referred to as the "Project"); (2) fund a Reserve Fund; and (3) pay the cost of issuance of the bonds, including bond insurance premium. As the improvements and equipment were acquired and installed, the School Board sold the Project to the LPFA and the LPFA concurrently leased the Project to the School Board through a Lease Agreement, dated April 1, 1996, under which the School Board is obligated to annually appropriate funds in an amount sufficient to pay the principal of and interest on the Bonds, as well as other payment obligations, including the Reserve Fund Requirement (as defined in the Indenture), as payments became due.

The Project used the bonds proceeds and the Lease Agreement to implement certain replacement, retrofit and/or upgrade improvements to 121 public school buildings of the School Board designed to reduce operating and maintenance expenses. The improvements to the School Board's existing facilities fall into four major categories, as follows: (1) Energy Management; (2) Heating, Ventilation and Air Conditioning Systems; (3) Lighting Systems; and (4) Water Conservation Measures.

During the year, the balance was paid in full resulting in a balance of \$-0- as of June 30, 2011.

Note 10. Changes in Agency Funds - Deposits Due Others

Agency Fund	Balance at July 1, 2010	Balance Transfer to OPSB	Additions	Deletions	Balance at June 30, 2011
Student Activity	\$ 266,109	\$ 40,163	\$ 1,094,474	\$ 1,126,380	\$ 274,366
Total	\$ 266,109	\$ 40,163	\$ 1,094,474	\$ 1,126,380	\$ 274,366

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 11. Due To/From Other Funds

Individual balances due to/from other funds at June 30, 2011, are as follows:

	Due To Other Funds	Due From Other Funds
Governmental Funds		
General Fund	\$ 45,772,947	\$ 64,766,621
Pass Through Fund	9,558,523	580,093
General Obligation Bonds - Debt Service Fund	1,336,766	897,596
Refunding Bonds - Debt Service Fund	33,412	-
Capital Projects - Capital Projects Fund	2,886,449	-
Hurricane Katrina Restoration - Capital Projects Fund	10,784,170	239,000
Gulf Opportunity Bonds - Debt Service Fund	395,114	-
Federal Grant Fund - Special Revenue Fund	9,097,167	529,353
Other Non-major Governmental Funds		
Non-major Special Revenue Funds	331,879	3,905,542
Non-major Capital Project Funds	3,708,192	5,967,238
Expendable Trust	-	317,215
Enterprise Funds	274,091	-
Proprietary Funds	12,587,662	19,563,714
Total	\$ 96,766,372	\$ 96,766,372

The primary purpose of interfund receivables/payables are to (1) loan monies from the General Fund to individual federal funds to cover grant expenditures pending reimbursement from the respective granting agencies and (2) reflect operating transfers due from the General Fund to other funds. All interfund payables are expected to be repaid within the next fiscal year.

Note 12. On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$27,214. On-behalf revenues and related expense are recorded in the General Fund.

Note 13. Act No. 640

Act No. 640 of the 2010 Regular Session of the Louisiana Legislature allows the Orleans Parish School Board to exclude certain costs from the amount of local revenues that it would otherwise be required to transfer to the Recovery School District to fund certain legacy cost arising from Hurricane Katrina and Act 35 of the 2010 Extraordinary Legislative Session. The exclusion is limited to \$6 million dollars each year, although any excess in cost may be carried over to the next fiscal year.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 13. Act No. 640 (Continued)

Legacy costs as of June 30, 2011 are as follows:

Legacy Costs	2011
Carryover From Prior Fiscal Year	\$ 955,367
Employer's cost of health insurance for retired participants in the Board's plan as of July 1, 2010, not to exceed 25% of total premium costs	1,034,779
A supplement of \$200 per month for health insurance premiums for retired participants in the Board's plan as of July 1, 2010	690,000
Workers' compensation claims filed against the Board prior to August 29, 2005, including administrative costs	2,427,171
Costs to defend legal claims against the Board prior to August 29, 2005	622,097
Legal claims against the Board after August 29, 2005 attributable to Hurricane Katrina or Act 35 of 1995 1st Extraordinary Session	274,263
Cost of short-term borrowing, including but not limited to attorney fees and interest	152,734
Fee of one-tenth of one percent of total ad valorem and sales taxes collected	205,904
Total	<u>6,362,315</u>
Maximum Allowed	(6,000,000)
Carryover to Next Fiscal Year	<u>\$ 362,315</u>

The exclusion expires (1) once the above costs are extinguished, (2) upon action by the Orleans Parish School Board to reduce the constitutional millage from the level in effect for fiscal year 2009-2010, (3) 12 months following the full settlement of the Orleans Parish School Board Special Community Disaster Loans, or (4) 20 tax years from the roll forward millage adoption, whichever occurs first.

Note 14. Litigation and Contingencies

Claims

The School Board is a defendant in several workers' compensation, personal injury, personnel action and contractual lawsuits. Provisions for losses for these lawsuits are recorded in the financial statements, principally in long-term debt obligations. Management and legal counsel for the School Board believe that the potential claims against the School Board, not covered by insurance, are covered by the recorded liability. A summary of significant claims are as follows:

Eddy Oliver, et al. vs. Orleans Parish School Board, CDC No. 2005-12244 (Wrongful Termination)
Plaintiffs filed suit against the School Board under the Fair Labor and Standards Act (FLSA) alleging that certain teacher's aides, custodians, child nutritionists, secretaries, bus or truck drivers, security guards, and para-professionals worked up to forty (40) hours per week, but the School Board failed and/or refused to compensate them for all hours worked at their regular rate of pay. They also allege that they worked in excess of forty (40) hours per week, but the School Board failed and/or refused to pay overtime. Plaintiffs are seeking class certification. Potential liability is estimated at \$5,000,000.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 14. Litigation and Contingencies (Continued)

Claims (Continued)

John Johnson, et al. vs. Orleans Parish School Board, et al., CDC No. 93-14333 c/w 94-5446, 94-12996, 95-13271 (Toxic Tort)

Plaintiffs filed this environmental class action law suit related to a school built on an allegedly contaminated site. Judgment was rendered in favor of the class and against the School Board (the Housing Authority of New Orleans, and the City of New Orleans were also casted in judgment). A Court-approved procedure for unnamed class-members was established to determine dollar liability. The School Board's liability estimate is \$12,000,000.

Federal and State Grants

In the normal course of operations, the School Board receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

FEMA

On August 39, 2010, President Obama announced the Federal Emergency Management Agency's (FEMA) award of \$1.8 billion to the New Orleans Public Schools. This funding, plus an additional \$206 million not discussed in the announcement, represent FEMA's total funding to settle the Orleans Parish School Board (OPSB) and the Recovery School District's (RSD) eligible disaster damage claim for school facilities and contents.

In addition to addressing damages to facilities and contents, this award has also supported and will continue to support temporary leased facilities, nine temporary modular school campuses, temporary busing costs, and other expenses that are necessary due to the impact of Hurricane Katrina.

The majority of the FEMA funding awarded to OPSB and RSD has been structured into Alternative Projects under FEMA's Public Assistance program, which allows applicants to designate alternative ways to utilize FEMA funding to support the best interests of the community. This alternate funding vehicle will provide maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish.

OPSB has been issued in excess of 200 FEMA Project Worksheets which authorized or obligated \$393.7 million. As of June 30, 2011, OPSB has submissions to FEMA totaling \$41.1 million and has been reimbursed \$40.2 million. OPSB plans on using the majority of the remaining authorized monies to fund Phase One of the Master Plan, and to recover properly procured and executed work in the years immediately following the disaster.

Construction Contracts

At June 30, 2011, the School Board had construction commitments of approximately \$25,108,837. These commitments will be paid out of the Capital Projects Funds.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 14. Litigation and Contingencies (Continued)

Millage Release Acknowledgement and Indemnification Agreement

As discussed in Note 4, the School Board entered into a Millage Release Acknowledgment and Indemnification Agreement with the City of New Orleans in August 2010, whereby the City agreed to release escrowed property taxes to the School Board based upon the School Board's agreement to indemnify the City from any and all costs associated with (i) any challenge to the School Board's levy of the additional mills, (ii) the City's collection of the additional mills, and (iii) the City's release of the escrowed property taxes to the School Board pursuant to the Agreement.

Note 15. Interfund Operating Transfers

Interfund operating transfers for the year ended June 30, 2011, were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 3,610,634	\$ 6,434,899
Pass Through Fund	79,890	-
Federal Grant Fund	4,119	3,612,651
Non-Major Governmental Funds		
Non-Major Special Revenue Funds	7,075	79,890
Non-Major Capital Projects Funds	-	640,227
Proprietary Funds	7,065,949	-
Total	<u>\$ 10,767,667</u>	<u>\$ 10,767,667</u>

Operating transfers between the General Fund and other funds are generally made to provide supplemental funds for program operations.

Note 16. Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; workers' compensation and health insurance for its employees. The School Board has established the following internal service funds to account for and finance these risks of loss:

Employee Health Insurance/Retiree Health Insurance

These funds are used to account for the employee, retiree and employer contributions to, and the payment of self-insured claims for the Health Insurance Plan. On February 1, 2006, the School Board offered a self-insured employee medical and Health Insurance Plan financed solely by employees and the School Board. The plan has a \$200,000 stop-loss provision, whereby any claims incurred in excess of the amount for a single insured is covered by reinsurance purchased by the School Board. Prior to February 1, 2006, the School Board offered a fully-insured Health Insurance.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 16. Risk Management (Continued)

Workers' Compensation Insurance

This fund is used to account for claims arising from employment related injuries prior to July 1, 2006. The School Board maintained a self-insurance plan, which included the purchase of insurance for claims in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. At June 30, 2011, there were 72 active claims.

Self-insured litigated claims are not reported in internal service funds, but the revenues and expenses for non-litigated claims are in the General Fund. The estimate for litigated claim liabilities is reported in the Government-Wide Financial Statements.

A reconciliation of the unpaid claims liability, including the litigated claims reserve, as of June 30th is as follows:

	Employee Health Insurance Fund	Retiree Health Insurance Fund	Workers' Compensation Fund	Litigated Claims	Total
Unpaid Claims, as Previously Reported June 30, 2010	\$ 312,259	\$ 1,047,741	\$ 4,228,808	\$ 41,524,068	\$ 47,112,876
Current Year Claims Incurred and Changes in Estimates	2,257,685	4,708,275	2,757,101	(3,084,023)	6,639,038
Claims Paid	(2,257,685)	(4,708,275)	(2,427,171)	(975,000)	(10,368,131)
Unpaid Claims as of Year Ended June 30, 2011	<u>\$ 312,259</u>	<u>\$ 1,047,741</u>	<u>\$ 4,558,738</u>	<u>\$ 37,465,045</u>	<u>\$ 43,383,783</u>

The above unpaid claims as of June 30th include amounts for claims incurred but not yet reported, as determined from actual claims paid subsequent to year-end as well as an estimate based upon historical lag trends.

Note 17. Deficits in Fund Equity

The Hurricane Katrina Restoration Fund has a fund deficit of \$9,811,468. This fund deficit is expected to be funded by making a draw down from the funds set aside for the School Board by FEMA as discussed in Note 14.

Note 18. Contingency for Unbilled Federal Revenue

Included in Due from Other Governments are \$5,558,980 of amounts that are unbilled. At this time, it is uncertain whether all of these amounts will be recovered under the federal programs as they are recorded. Once the School Board has billed these amounts and received the reimbursements, adjustments will be recorded as required.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 19. Fund Balances

The nature and purpose of the fund balance designations are as follows:

Nonspendable for Prepaid Items – Represents property insurance which will be used in the future fiscal period.

Nonspendable for Inventory – Represents the food inventories in the Child Nutrition Fund which will be used in the future fiscal period.

Restricted for Encumbrances – This restriction was established for outstanding purchase orders that the School Board intends to honor.

Restricted for Debt Service – This restriction represents the amounts restricted for payment of principal and interest maturing in future years on bonded debt.

Restricted for Capital Items – This restriction was established for capital purchases which will be used in future fiscal periods.

Assigned to Special Projects – This represents the unexpended portion of unrestricted monies received by the School Board and designated for special programs.

Assigned to Capital Projects Fund – This represents an assignment of funds that are designated for construction and renovation projects.

Note 20. Hurricane Katrina Insurance Proceeds

The School Board had insurance policies in effect at the time of Hurricane Katrina for comprehensive property damage (including flood), casualty, business interruption and other coverage's in the aggregate amount of \$200,000,000 and additional insurance policies covering flood damage for a total of \$17,800,000. Since August 2005, the School Board has received \$59.4 million in Hurricane Katrina insurance proceeds of which approximately \$23.7 million is currently held in the registry of Civil District Court for the Parish of Orleans.

The School Board has filed lawsuits against its insurers to collect its remaining claims for its remaining unpaid claims estimated to exceed the sum of \$175,000,000, (the "Insurance Litigation"). The Louisiana State Board of Elementary and Secondary Education, the Louisiana Department of Education, and the Recovery School District (collectively the "Intervenors"), intervened in the Insurance Litigation asserting their entitlement to a portion of the insurance proceeds. On November 30, 2009, OPSB filed a Second Amended and Supplemental Petition in which it sought, among other relief, declaratory judgment that OPSB alone is entitled to pursue claims against its insurers and to collect any proceeds for which they may be held liable. By opinion dated October 5, 2011, the Louisiana Court of Appeals for the Fourth Circuit held (i) that the School Board alone may pursue claims against its insurers and (ii) if, and when, the School Board collects proceeds from its insurers, the Intervenors may assert claims against those proceeds. Accordingly, at this time it is not possible to determine whether all or some lesser portions will ultimately be retained by the School Board.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 20. Hurricane Katrina Insurance Proceeds (Continued)

During fiscal year 2009-2010, the School Board agreed to a preliminary settlement with the Recovery School District, with both entities receiving \$18 million each, a total of \$36 million. The balance of the insurance proceeds, approximately \$23.7 million, continues to be classified as deferred revenue and held in registry of the Civil District Court for the Parish of Orleans. As referenced in Note 21, a final settlement occurred with the Recovery School District and funds were disbursed to both entities.

Note 21. Subsequent Events

Community Disaster Loan Cancellation

On July 13, 2011, the School Board requested additional cancellation of the Community Disaster Loan totaling \$10,387,396. After review of the School Board's requests, FEMA approved an additional cancellation of \$7,221,760 of principal and approximately \$1,030,000 of accrued interest. This additional cancellation brings the total principal debt forgiveness of \$48,127,666.

Hurricane Katrina Insurance Proceeds

On November 18, 2011, the School Board received a disbursement of funds that were held in registry of the Civil District Court for the Parish of Orleans in the amount of \$11,857,529. As referenced in Note 20, the deferred revenue balance includes these funds as of June 30, 2011. In fiscal year 2011-2012 the deferred revenue will be recognized by the School Board.

REQUIRED SUPPLEMENTARY INFORMATION - (PART II)
BUDGETARY COMPARISON SCHEDULES
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 11,977,875	\$ 13,989,443	\$ 12,870,141	\$ (1,119,302)
Sales and Use Tax (Including Vehicle)	4,878,572	5,208,348	5,122,900	(85,448)
Earnings on Investments	1,011,000	1,011,000	967,055	(43,945)
Donations	200,000	200,000	118,810	(81,190)
Other	2,588,882	2,641,335	1,880,203	(761,132)
State and Federal Sources				
Minimum Foundation Program	10,670,610	10,513,710	10,949,260	435,550
State Revenue Sharing	2,057,000	2,057,000	2,777,950	720,950
Other	775,625	816,707	943,904	127,197
Federal Sources	-	-	110,885	110,885
Total Revenues	34,159,564	36,437,543	35,741,108	(696,435)
Expenditures				
Current				
Instruction				
Regular Programs	11,371,916	9,910,491	9,708,233	202,258
Special Programs	2,204,559	3,233,801	2,881,996	351,805
Other Programs	2,083,891	2,649,991	2,411,786	238,205
Support				
Student Services	2,011,118	2,035,898	2,026,753	9,145
Instructional Staff Support	1,013,489	1,593,021	1,417,888	175,133
General Administration	2,948,591	5,474,356	4,262,910	1,211,446
School Administration	1,745,064	1,858,282	2,017,519	(159,237)
Business Services	2,058,089	1,759,440	1,886,694	(127,254)
Student Transportation Services	2,815,427	3,243,635	3,159,234	84,401
Central Services	3,724,232	3,885,742	2,745,644	1,140,098
Plant Services	6,473,109	6,839,025	5,928,194	910,831
Other	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	873,300	412,316	5,412	406,904
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	39,322,785	42,895,998	38,452,263	4,443,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,163,221)	(6,458,455)	(2,711,155)	3,747,300

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
General Fund
Fiscal Year Ended June 30, 2011

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Other	-	-	173,238	173,238
Transfers In	3,000,000	3,000,000	3,610,634	610,634
Transfers Out	(94,554)	(6,464,649)	(6,434,899)	29,750
Appropriations from Prior Year				
Budgetary Fund Balance	2,400,000	9,945,095	9,945,095	-
Total Other Financing Sources (Uses)	5,305,446	6,480,446	7,294,068	813,622
 Net Change in Fund Balance - Budgetary Basis	 \$ 142,225	 \$ 21,991	 4,582,913	 \$ 4,560,922
 Fund Balance, June 30, 2010			 49,993,375	
 Less: Appropriations from Beginning of Year				
Fund Balance			 (9,945,095)	
 Fund Balance - Budgetary Basis, June 30, 2011			 \$ 44,631,193	

The Budgetary Comparison Schedule presents comparisons of the legally adopted budget and final budget (non-GAAP basis) with actual data on a budgetary basis. In the General Fund, accounting principles applied for purposes of developing data on the budgetary basis and timing differences is presented below:

Net Change in Fund Balance - Budgetary Basis	\$ 4,582,913
Adjustment:	
Appropriation from Beginning of Year Fund Balance	(9,945,095)
Net Change in Fund Balance	\$ (5,362,182)

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
Pass Through Fund
Fiscal Year Ended June 30, 2011**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 85,444,009	\$ 85,444,009	\$ 85,444,009	\$ -
Sales and Use Tax (Including Vehicle)	76,232,071	76,232,071	76,232,071	-
Earnings on Investments	-	-	-	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	27,805,565	27,805,565	27,805,565	-
State Revenue Sharing	-	-	-	-
Other	-	-	-	-
Federal Sources	-	-	-	-
Total Revenues	189,481,645	189,481,645	189,481,645	-
Expenditures				
Current				
Instruction				
Regular Programs	-	-	-	-
Special Programs	-	-	-	-
Other Programs	-	-	-	-
Support				
Student Services	-	-	-	-
Instructional Staff Support	-	-	-	-
General Administration	6,448,165	6,448,165	6,448,165	-
School Administration	-	-	-	-
Business Services	-	-	-	-
Student Transportation Services	-	-	-	-
Central Services	-	-	-	-
Plant Services	-	-	-	-
Other	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	6,448,165	6,448,165	6,448,165	-
Excess of Revenues Over Expenditures	183,033,480	183,033,480	183,033,480	-

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
Pass Through Fund
Fiscal Year Ended June 30, 2011

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Transfers In	79,890	79,890	79,890	-
Transfers Out	-	-	-	-
Transfers Out - Charters and RSD	(183,113,370)	(183,113,370)	(183,113,370)	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	(183,033,480)	(183,033,480)	(183,033,480)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, June 30, 2010	-	-	-	-
Fund Balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -

Budget amounts for the Pass Through Fund were set equal to actual revenues and expenditures incurred since the fund has no formal budget, all revenues recognized are fully expended or transferred out to other funds and to the Recovery School District and to charter schools.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
Federal Grant Fund
Fiscal Year Ended June 30, 2011**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax (Including Vehicle)	-	-	-	-
Earnings on Investments	-	-	-	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	-	-	-	-
State Revenue Sharing	-	-	-	-
Other	23,060	23,060	23,060	-
Federal Sources	36,466,702	36,466,702	36,466,702	-
Total Revenues	36,489,762	36,489,762	36,489,762	-
Expenditures				
Current				
Instruction				
Regular Programs	2,480,355	2,480,355	2,480,355	-
Special Programs	3,033,893	3,033,893	3,033,893	-
Other Programs	17,904,121	17,904,121	17,904,121	-
Support				
Student Services	3,006,457	3,006,457	3,006,457	-
Instructional Staff Support	6,177,127	6,177,127	6,177,127	-
General Administration	-	-	-	-
School Administration	13,871	13,871	13,871	-
Business Services	-	-	-	-
Student Transportation Services	132,790	132,790	132,790	-
Central Services	91,798	91,798	91,798	-
Plant Services	17,975	17,975	17,975	-
Other	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	32,858,387	32,858,387	32,858,387	-
Excess of Revenues Over Expenditures	3,631,375	3,631,375	3,631,375	-

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
Federal Grant Fund
Fiscal Year Ended June 30, 2011**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Transfers In	4,119	4,119	4,119	-
Transfers Out	(3,612,651)	(3,612,651)	(3,612,651)	-
Transfers Out - Charters and RSD	-	-	-	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	(3,608,532)	(3,608,532)	(3,608,532)	-
Net Change in Fund Balance	22,843	22,843	22,843	-
Fund Balance, June 30, 2010	-	-	-	-
Fund Balance, June 30, 2011	\$ 22,843	\$ 22,843	\$ 22,843	\$ -

The budgeted amounts of revenues and expenditures for the Federal Grant Fund were set equal to actual due to differences in grant periods compared to the fiscal period as well as extensions of grant periods.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Other Post-Employment Benefits Information
Fiscal Year Ended June 30, 2011

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2011	7/1/2010	\$ -	\$ 33,572,000	\$ 33,572,000	0%	\$ 27,102,116	124%
2010	7/1/2009	-	33,840,000	\$ 33,840,000	0%	25,976,732	130%
2009	7/1/2008	-	12,015,955	\$ 12,015,955	0%	20,381,926	59%

Actuarial Assumptions 2011

Actuarial Cost Method	Projected Unit Credit Cost
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years - Open Basis
Asset Valuation Method	Not Funded
Investment Rate of Return	4.5%
Projected Salary Increases	3.5%

Actuarial Assumptions 2010

Actuarial Cost Method	Unit Credit Cost
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years - Open Basis
Asset Valuation Method	Not Funded
Investment Rate of Return	4.5%
Projected Salary Increases	3.5%

Actuarial Assumptions 2009

Actuarial Cost Method	Unit Credit Cost
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years - Open Basis
Asset Valuation Method	Not Funded
Investment Rate of Return	4.5%
Projected Salary Increases	3.5%

OTHER SUPPLEMENTARY INFORMATION

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet - By Fund Type
Non-Major Governmental Funds
June 30, 2011**

	Special Revenue	Debt Service	Capital Project	Total
Assets				
Cash	\$ 68,376	\$ -	\$ 2,391,268	\$ 2,459,644
Due from Other Funds	3,905,542	-	5,967,238	9,872,780
Due from Other Governments	817,606	-	-	817,606
Inventory	35,049	-	-	35,049
Total Assets	\$ 4,826,573	\$ -	\$ 8,358,506	\$ 13,185,079
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 136,339	\$ -	\$ 52,386	\$ 188,725
Due to Other Funds	331,879	-	3,708,192	4,040,071
Deferred Revenues	435,986	-	-	435,986
Total Liabilities	904,204	-	3,760,578	4,664,782
Fund Balances				
Nonspendable:				
Inventory	35,049	-	-	35,049
Restricted for:				
Encumbrances	-	-	623,620	623,620
Capital Projects	-	-	7,866,347	7,866,347
Assigned to:				
Special Programs	3,887,320	-	-	3,887,320
Unassigned	-	-	(3,892,039)	(3,892,039)
Total Fund Balances	3,922,369	-	4,597,928	8,520,297
Total Liabilities and Fund Balances	\$ 4,826,573	\$ -	\$ 8,358,506	\$ 13,185,079

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - By Fund Type
Non-Major Governmental Funds
Fiscal Year Ended June 30, 2011**

	Special Revenue	Debt Service	Capital Project	Total
Revenues				
Local Sources				
Sales Taxes	\$ -	\$ 210,440	\$ -	\$ 210,440
Food Services	551,235	-	-	551,235
Donations	14,159	-	-	14,159
Other	37,384	-	-	37,384
State and Federal				
Minimum Foundation Program	166,480	-	-	166,480
Other	731,528	-	-	731,528
Federal Funds	3,655,808	-	3,664,125	7,319,933
Total Revenues	5,156,594	210,440	3,664,125	9,031,159
Expenditures				
Instruction				
Regular Education Programs	263,756	-	-	263,756
Special Education Programs	2,395	-	-	2,395
Other Education Programs	318,130	-	-	318,130
Support				
Student Services	7,000	-	-	7,000
Instructional Staff Services	198,865	-	-	198,865
Business Services	391,636	-	-	391,636
Plant Services	161,517	-	-	161,517
Food Services	3,837,617	-	-	3,837,617
Capital Outlay	-	-	2,008,238	2,008,238
Other	-	-	26,335	26,335
Debt Service				
Principal Retirement	-	196,291	-	196,291
Interest and Bank Charges	-	14,149	-	14,149
Total Expenditures	5,180,916	210,440	2,034,573	7,425,929
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,322)	-	1,629,552	1,605,230
Other Financing Sources and Uses				
Transfers In	7,075	-	-	7,075
Transfers Out	(79,890)	-	(640,227)	(720,117)
Total Other Financing Sources (Uses)	(72,815)	-	(640,227)	(713,042)
Net Change in Fund Balance	(97,137)	-	989,325	892,188
Fund Balance, June 30, 2010	4,019,506	-	3,608,603	7,628,109
Fund Balance, June 30, 2011	\$ 3,922,369	\$ -	\$ 4,597,928	\$ 8,520,297

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2011**

	State and Local	Child Nutrition	Non-Recurring Operational	Total
Assets				
Cash	\$ -	\$ 68,376	\$ -	\$ 68,376
Due from Other Funds	462,561	1,298,720	2,144,261	3,905,542
Due from Other Governments	506,412	311,194	-	817,606
Inventory	-	35,049	-	35,049
Total Assets	\$ 968,973	\$ 1,713,339	\$ 2,144,261	\$ 4,826,573
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 7,523	\$ 42,336	\$ 86,480	\$ 136,339
Due to Other Funds	331,879	-	-	331,879
Deferred Revenues	435,986	-	-	435,986
Total Liabilities	775,388	42,336	86,480	904,204
Fund Balances				
Nonspendable:				
Inventory	-	35,049	-	35,049
Assigned to:				
Special Programs	193,585	1,635,954	2,057,781	3,887,320
Total Fund Balances	193,585	1,671,003	2,057,781	3,922,369
Total Liabilities and Fund Balances	\$ 968,973	\$ 1,713,339	\$ 2,144,261	\$ 4,826,573

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
Fiscal Year Ended June 30, 2011**

	State and Local	Child Nutrition	Non-Recurring Operational	Total
Revenues				
Local Sources				
Food Services	\$ -	\$ 551,235	\$ -	\$ 551,235
Donations	14,159	-	-	14,159
Other	37,384	-	-	37,384
State and Federal				
Minimum Foundation Program	-	166,480	-	166,480
Other	731,528	-	-	731,528
Federal Funds	-	3,655,808	-	3,655,808
Total Revenues	783,071	4,373,523	-	5,156,594
Expenditures				
Instruction				
Regular Education Programs	263,756	-	-	263,756
Special Education Programs	2,395	-	-	2,395
Other Education Programs	318,130	-	-	318,130
Support				
Student Services	7,000	-	-	7,000
Instructional Staff Support	198,865	-	-	198,865
Business Services	-	-	391,636	391,636
Plant Services	-	-	161,517	161,517
Food Services	-	3,837,617	-	3,837,617
Total Expenditures	790,146	3,837,617	553,153	5,180,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,075)	535,906	(553,153)	(24,322)
Other Financing Sources and Uses				
Transfers In	7,075	-	-	7,075
Transfers Out	-	(79,890)	-	(79,890)
Total Other Financing Sources (Uses)	7,075	(79,890)	-	(72,815)
Net Change in Fund Balance	-	456,016	(553,153)	(97,137)
Fund Balance, June 30, 2010	193,585	1,214,987	2,610,934	4,019,506
Fund Balance, June 30, 2011	\$ 193,585	\$ 1,671,003	\$ 2,057,781	\$ 3,922,369

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-Major Debt Service Fund
June 30, 2011

	EPA Loan	Total
Assets	\$ -	\$ -
Fund Balances		
Restricted for Debt Service	\$ -	\$ -
Total Fund Balances	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Debt Service Fund
Fiscal Year Ended June 30, 2011

	EPA Loan	Total
Revenues		
Local Sources		
Sales and Use Tax	\$ 210,440	\$ 210,440
Total Revenues	210,440	210,440
Expenditures		
Debt Service		
Principal Retirement	196,291	196,291
Interest and Bank Charges	14,149	14,149
Total Expenditures	210,440	210,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Uses and Sources		
Transfer In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	-	-
Fund Balance, June 30, 2010	-	-
Fund Balance, June 30, 2011	\$ -	\$ -

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-Major Capital Projects Fund
June 30, 2011**

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
Assets				
Cash	\$ 2,391,268	\$ -	\$ -	\$ 2,391,268
Due from Other Funds	2,979,379	2,983,382	4,477	5,967,238
Total Assets	\$ 5,370,647	\$ 2,983,382	\$ 4,477	\$ 8,358,506
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ 52,386	\$ -	\$ 52,386
Due to Other Funds	-	-	3,708,192	3,708,192
Total Liabilities	-	52,386	3,708,192	3,760,578
Fund Balances				
Restricted for Capital Projects	5,244,979	2,621,368	-	7,866,347
Restricted for Encumbrances	125,668	309,628	188,324	623,620
Unassigned	-	-	(3,892,039)	(3,892,039)
Total Fund Balances	5,370,647	2,930,996	(3,703,715)	4,597,928
Total Liabilities and Fund Balances	\$ 5,370,647	\$ 2,983,382	\$ 4,477	\$ 8,358,506

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Capital Projects Funds
Fiscal Year Ended June 30, 2011**

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
Revenues				
State and Federal				
Federal Funds	\$ -	\$ -	\$ 3,664,125	\$ 3,664,125
Total Revenues	-	-	3,664,125	3,664,125
Expenditures				
Capital Outlay	1,040,178	889,246	78,814	2,008,238
Other Expenditures	-	26,335	-	26,335
Total Expenditures	1,040,178	915,581	78,814	2,034,573
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,040,178)	(915,581)	3,585,311	1,629,552
Other Financing Sources and Uses				
Transfers In	-	-	-	-
Transfer Out	(640,227)	-	-	(640,227)
Total Other Financing Sources (Uses)	(640,227)	-	-	(640,227)
Net Change in Fund Balance	(1,680,405)	(915,581)	3,585,311	989,325
Fund Balance, June 30, 2010	7,051,052	3,846,577	(7,289,026)	3,608,603
Fund Balance, June 30, 2011	\$ 5,370,647	\$ 2,930,996	\$ (3,703,715)	\$ 4,597,928

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Net Assets
Proprietary Fund Type - Internal Service Funds
June 30, 2011

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Assets					
Cash and Cash Equivalents	\$ -	\$ 2,758,479	\$ -	\$ -	\$ 2,758,479
Other Receivables	-	-	-	478,755	478,755
Due From Other Funds	9,847,747	8,255	9,707,712	-	19,563,714
Total Assets	9,847,747	2,766,734	9,707,712	478,755	22,800,948
Liabilities and Net Assets					
Liabilities					
Accounts Payable	692	10,766	67,174	-	78,632
Due to Other Funds	7,295,186	34,006	4,779,715	478,755	12,587,662
Liability Claims Payable	312,259	1,047,741	4,558,738	-	5,918,738
Deferred Revenue	2,239,610	1,674,221	302,085	-	4,215,916
Total Liabilities	9,847,747	2,766,734	9,707,712	478,755	22,800,948
Net Assets					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Fund Type - Internal Service Funds
Fiscal Year Ended June 30, 2011**

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Operating Revenues					
Employer Contributions	\$ 2,257,685	\$ 1,982,579	\$ 2,427,171	\$ -	\$ 6,667,435
Retiree Contributions	-	2,711,094	-	-	2,711,094
Retiree State Contributions	-	14,602	-	-	14,602
Total Operating Revenues	2,257,685	4,708,275	2,427,171	-	9,393,131
Operating Expenses					
General Administrative	-	-	-	-	-
Central Services	2,257,685	4,708,275	2,427,171	734,781	10,127,912
Total Operating Expenses	2,257,685	4,708,275	2,427,171	734,781	10,127,912
Operating Loss	-	-	-	(734,781)	(734,781)
Nonoperating Revenues					
Transfers In	-	-	-	734,781	734,781
Transfers Out	-	-	-	-	-
Change in Net Assets	-	-	-	-	-
Net Assets at June 30, 2010	-	-	-	-	-
Net Assets at June 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Cash Flows
Proprietary Fund Type - Internal Service Funds
Fiscal Year Ended June 30, 2011

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Cash Flows from Operating Activities					
Cash Premiums Received	\$ (2,626,564)	\$ 4,859,916	\$ 2,427,171	\$ 963,727	\$ 5,624,250
Cash Paid in Claims and Benefits	2,626,564	(7,486,770)	(2,427,171)	(1,698,508)	(8,985,885)
Net Cash Used in Operating Activities	-	(2,626,854)	-	(734,781)	(3,361,635)
Cash Flows from Non-Capital Financing Activities					
Interfund Transfers	-	-	-	734,781	734,781
Net Cash Provided by Non-Capital Financing Activities	-	-	-	734,781	734,781
Net Decrease in Cash	-	(2,626,854)	-	-	(2,626,854)
Cash, Beginning of Year	-	5,385,333	-	-	5,385,333
Cash, End of Year	\$ -	\$ 2,758,479	\$ -	\$ -	\$ 2,758,479
Reconciliation of Operating Loss to Net Cash Used in Operating Activities					
Operating Loss	\$ -	\$ -	\$ -	\$ (734,781)	\$ (734,781)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:					
Changes in:					
Other Receivables	-	-	-	1,436,764	1,436,764
Due from Other Funds	(4,865,814)	(8,255)	-	-	(4,874,069)
Accounts Payable	180	(5,366)	(370,304)	(40,622)	(416,112)
Deferred Revenue	(18,435)	159,895	302,085	-	443,545
Due to Other Funds	4,884,069	(2,773,128)	(261,717)	(1,396,142)	453,082
Claims Payable/Self-Insured	-	-	329,936	-	329,936
Net Cash Used in Operating Activities	\$ -	\$ (2,626,854)	\$ -	\$ (734,781)	\$ (3,361,635)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Assets and Liabilities
Fiduciary Fund Type - Agency Funds
June 30, 2011

	Student Activity	Agency Total
Assets		
Cash and Cash Equivalents	\$ 307,376	\$ 307,376
Total Assets	\$ 307,376	\$ 307,376
Liabilities		
Accounts Payable	\$ 33,010	\$ 33,010
Due to Student Groups	274,366	274,366
Total Liabilities	\$ 307,376	\$ 307,376

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Changes in Assets and Liabilities
Fiduciary Fund Type - Agency Funds
Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Additions/ Transfers to OPSB	Deductions	Balance June 30, 2011
Student Activity				
Assets				
Cash and Cash Equivalents	\$ 295,964	\$ 1,139,185	\$ 1,127,773	\$ 307,376
Total Assets	\$ 295,964	\$ 1,139,185	\$ 1,127,773	\$ 307,376
Liabilities				
Accounts Payable	\$ 29,855	\$ 3,155	\$ -	\$ 33,010
Due to Student Groups	266,109	1,136,030	1,127,773	274,366
Total Liabilities	\$ 295,964	\$ 1,139,185	\$ 1,127,773	\$ 307,376
Total Agency Funds				
Assets				
Cash and Cash Equivalents	\$ 295,964	\$ 1,139,185	\$ 1,127,773	\$ 307,376
Total Assets	\$ 295,964	\$ 1,139,185	\$ 1,127,773	\$ 307,376
Liabilities				
Accounts Payable	\$ 29,855	\$ 3,155	\$ -	\$ 33,010
Due to Student Groups	266,109	1,136,030	1,127,773	274,366
Total Liabilities	\$ 295,964	\$ 1,139,185	\$ 1,127,773	\$ 307,376

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Government-Wide Expenses by Function
For the Three Years Ended June 30, 2011**

(Unaudited)

Governmental Activities	2011	2010	2009
Instruction			
Regular Programs	\$ 12,485,534	\$ 10,955,611	\$ 15,339,620
Special Programs	5,670,809	4,338,820	4,780,036
Other Instructional Programs	19,771,214	21,222,882	32,285,405
Support Services			
Student Services	4,829,455	4,049,180	4,669,404
Instructional Staff Support	7,501,398	7,033,294	9,719,499
General Administration	12,123,862	6,889,093	4,373,740
School Administration Services	1,946,446	1,156,269	1,605,464
Business Services	2,198,940	2,561,389	4,846,629
Student Transportation Services	3,154,365	2,590,111	6,248,030
Central Services	2,767,098	2,760,877	1,768,624
Plant Services	10,508,007	5,179,617	6,527,991
Other	530,941	3,810,999	15,018,956
Food Services	3,864,930	3,667,628	2,683,713
Transfer to Charter Schools and RSD	183,113,370	174,646,469	145,821,265
Interest on Long-Term Debt	9,444,926	13,574,743	14,471,655
Total Governmental Activities	\$ 279,911,295	\$ 264,436,982	\$ 270,160,031

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Government-Wide Revenues
For the Three Years Ended June 30, 2011**

(Unaudited)

Governmental Activities	2011	2010	2009
Program Revenues			
Charges for Services	\$ 1,521,380	\$ 1,290,015	\$ 6,528,037
Operating Grants and Contributions	42,064,857	60,375,583	60,828,675
Capital Grants and Contributions	9,504,524	5,849,319	7,272,874
General Revenues			
Ad Valorem Taxes	110,794,005	110,517,622	79,898,445
Sales and Use Taxes	95,109,617	84,919,257	79,354,939
State Revenue Sharing	2,777,950	1,625,992	1,213,677
Minimum Foundation Program (MFP)	38,921,305	35,520,337	36,090,262
Interest and Investment Earnings	487,919	1,418,916	4,900,223
Debt Forgiveness	46,341,764	-	-
Insurance Proceeds	-	18,000,000	-
Miscellaneous	(3,599,309)	92,593	7,017,884
Total Governmental Activities	\$ 343,924,012	\$ 319,609,634	\$ 283,105,016

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
General Fund Expenditures by Function
Last Ten Fiscal Years
June 30, 2011**

(Unaudited)

Governmental Activities	2010 - 2011	2009 - 2010	2008 - 2009	2007 - 2008	2006 - 2007
Instructional					
Regular	\$ 9,708,233	\$ 11,741,153	\$ 12,293,081	\$ 13,135,211	\$ 14,704,750
Special	2,881,996	2,224,169	2,297,469	2,248,217	1,644,518
Other Instructional Programs	2,411,786	1,485,948	1,682,444	1,896,083	953,387
Support Services					
Student Services	2,026,753	1,060,801	1,937,578	2,441,699	1,701,780
Instructional Staff	1,417,888	1,127,846	1,929,356	2,230,574	1,057,502
General Administration	4,262,910	3,000,371	3,249,389	12,816,283	7,130,149
School Administration	2,017,519	1,457,434	1,593,290	1,794,791	1,434,032
Business Administration					
Business Services	1,886,694	2,041,587	2,181,043	2,706,386	8,120,944
Maintenance of Plant	5,928,194	5,361,358	5,869,546	8,917,945	13,317,687
Student Transportation	3,159,234	2,551,994	2,837,647	2,567,773	4,908,926
Central Services	2,745,644	3,475,355	1,718,313	10,136,366	8,265,779
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	61	41,782
Other	5,412	370,000	5,911,773	-	7,619
Debt Service	-	-	-	-	-
Total	\$ 38,452,263	\$ 35,898,016	\$ 43,500,929	\$ 60,891,389	\$ 63,288,855

Statistical Schedule III

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
General Fund Expenditures by Function (Continued)
Last Ten Fiscal Years
June 30, 2011

(Unaudited)

Governmental Activities	2005 - 2006	2004 - 2005	2003 - 2004	2002 - 2003	2001 - 2002
Instructional					
Regular	\$ 37,609,376	\$ 165,776,902	\$ 164,822,376	\$ 166,360,842	\$ 180,145,279
Special	8,751,997	53,973,784	53,460,499	52,522,261	53,170,305
Other Instructional Programs	4,031,308	7,104,077	5,085,898	4,884,913	3,187,129
Support Services					
Pupil	4,756,256	31,991,866	32,144,739	25,462,287	23,080,876
Instructional Staff	1,503,732	12,493,798	12,742,945	12,297,344	12,781,215
General Administration	5,193,536	11,867,615	9,909,996	6,734,137	2,411,736
School Administration	4,320,659	22,885,725	22,700,785	21,886,416	24,304,930
Business Administration					
Business Services	17,073,174	9,401,343	13,372,082	5,144,277	6,971,371
Maintenance of Plant	17,602,740	46,288,702	47,811,446	54,593,365	50,189,705
Pupil Transportation	1,842,567	17,033,284	17,927,731	17,544,713	17,740,299
Central Services	2,189,754	19,227,657	16,778,330	15,021,260	24,944,125
Food Services	-	130,967	150,104	68,324	45,181
Capital Outlay	-	630,225	515,854	588,018	558,059
Other	771,580	39,660	14,180	272,177	-
Debt Service	3,624,851	1,070,912	716,876	930,883	-
Total	\$ 109,271,530	\$ 399,916,517	\$ 398,153,841	\$ 384,311,217	\$ 399,530,210



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Orleans Parish School Board
New Orleans, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Orleans Parish School Board (School Board) as of and for the year ended June 30, 2011, which collectively comprise the Orleans Parish School Board's basic financial statements and have issued our report thereon dated November 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting [2011-1]. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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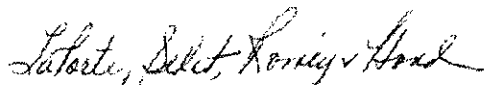
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2011-3. We also noted another matter which is described in the accompanying Schedule of Findings and Questioned Costs as item 2011-2.

The School Board's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the finance committee, management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

November 28, 2011



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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Orleans Parish School Board
New Orleans, Louisiana

Compliance

We have audited the compliance of Orleans Parish School Board (School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2011. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

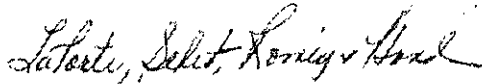
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A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a *material weakness*, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

November 28, 2011

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor No.	OPSB Expenditures	Charter Pass-Through Expenditures
United States Department of Homeland Security (FEMA) Passed through the Louisiana Department of Education FEMA Disaster Relief Program	97.036	-	\$ 5,840,398	\$ -
Total United States Department of Homeland Security			5,840,398	-
United States Department of Housing and Urban Development Passed through the Louisiana Office of Community Development Community Development Block Grant	14.228	-	3,664,125	-
Total United States Department of Homeland Security			3,664,125	-
United States Department of Agriculture Passed Through Louisiana Department of Agriculture Food Distribution Program	10.550	-	228,306	-
Passed Through Louisiana Department of Education School Breakfast Program	10.553	-	-	-
National School Lunch Program	10.535	-	-	-
National School Lunch Program	10.555	-	3,427,502	-
Total United States Department of Agriculture			3,655,808	-
United States Department of Defense ROTC	12.998	-	110,885	-
Total United States Department of Defense			110,885	-
United States Department of Education Passed Through Department of Education Improving America's Schools Act (IASA)/No Child Left Behind Act (NCLB) Title I Grants to Local Education Agencies	84.010A	28-09-T1-36 28-11-T1-36	17,164,407	3,391,053
Title I Grants to Local Education Agencies - ARRA Funds	84.389	-	78,580	-
Reading First	84.357A	28-09-RS-36 C	151,392	-
Title III English Language Acquisition	84.365A	28-10-S0-36	153,894	-
Enhancing Education Through Technology, TLTC	84.318X	-	141,586	-
Title II, Part A, Teacher and Principal Training & Recruiting	84.367A	28-11-S0-36	3,784,579	174,379
Title IV (Safe and Drug-Free Schools - State Grant)	84.186A	28-09-70-36	46,765	2,474
Education for Homeless Children and Youth - Title X	84.387A	28-10-H1-36	196,349	-
Education Jobs Funds - ARRA Funds	84.410A	28-11-EJ-36 28-11-EM-36	508,818	1,242,366
Individuals with Disabilities and Exceptionalities Act (IDEA) IDEA Part B	84.027A	28-11-B1-36	4,028,442	-
IDEA Part B - ARRA Funds	84.391A	28-10-AB-36	2,978,578	-
Preschool	84.173A	28-11-P1-36	123,485	-
Preschool - ARRA Funds	84.392A	28-10-AP-36	271,752	-
Vocational Education Basic Grants to States - Carl Perkins Grant	84.048	28-11-02-36	157,687	-
Restart	84.938A	28-06-IR-36	(55,202)	569,433
Hurricane Katrina Foreign Contributions	84.940C	28-07-FC-36	-	306,465
Hurricane Educator Assistance Program (HEAP)	84.938K	28-08-HE-36	230,837	-
Total United States Department of Education			29,969,748	5,686,170
United States Department of Health and Human Services Passed through the Louisiana Department of Education Temporary Assistance for Needy Families (TANF) After School For All	93.558B	-	400,692	420,092
Total United States Department of Health and Human Services			400,692	420,092
Total Expenditures of Federal Awards			43,631,656	6,106,262
			\$ 49,737,918	

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Orleans Parish School Board and is presented on the modified accrual basis of accounting. Commodities received, which are non-cash revenue are valued at prices provided by the U.S. Department of Agriculture. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2. Reconciliation to the Basic Financial Statements

The expenditures listed in the accompanying schedule are reported in the following funds in either the governmental funds statement of revenues, expenditures and changes in fund balances (basic statement) or the non-major special revenue funds combining statement of revenues, expenditures and changes in fund balance, (supplementary information) of the Orleans Parish School Board's June 30, 2011, financial statements.

General Fund	\$ 110,885
Hurricane Katrina Restoration Fund	5,840,398
Federal Grant Fund	36,466,702
CDBG Capital Projects Fund	3,664,125
Child Nutrition Fund	3,655,808
	<hr/>
Financial Statement Total	\$ 49,737,918
	<hr/>
Schedule of Expenditures of Federal Awards Total	\$ 49,737,918
	<hr/>

Note 3. Loans Payable to Federal Agency

The School Board has Federal Community Disaster Loans (the "Loans") of \$18,570,148 as of June 30, 2011. The terms of the Loans call for interest to accrue at rates ranging from 2.93% to 2.94% annually, with principal and interest payments scheduled.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Section 1

Financial Statements

- | | | |
|----|--|-------------|
| 1. | Type of auditors' report | Unqualified |
| 2. | Internal control over financial reporting | |
| a. | Material weaknesses identified | None |
| b. | Significant deficiencies identified not considered to be material weaknesses | Yes |
| c. | Noncompliance material to the financial statements noted | None |

Federal Awards

- | | | |
|----|---|---|
| 1. | Internal control over major programs | |
| a. | Material weaknesses identified | None |
| b. | Significant deficiencies identified not considered to be material weaknesses | None |
| 2. | Type of auditors' report issued on compliance for each major program | Unqualified |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510(a) | No |
| 4. | Identification of major programs | |
| | 10.555 | National School Lunch Program |
| | 84.010A | Title I Grant to Local Education Agencies |
| | 84.389 | Title I Grant to Local Education Agencies – ARRA Funds |
| | 84.027A | IDEA Part B |
| | 84.173A | IDEA – Preschool |
| | 84.391A | IDEA Part B – ARRA Funds |
| | 84.392A | IDEA – Preschool ARRA Funds |
| | 84.410A | Education Jobs Funds – ARRA Funds |
| | 84.367A | Title II, Part A, Teacher and Principal Training & Recruiting |
| | 84.938A | Restart |
| | 93.558B | Temporary Assistance for Needy Families (TANF) After School for All |
| 5. | Dollar threshold used to distinguish between Type A and B programs | \$1,492,138 |
| 6. | Auditee qualified as a low - risk auditee under OMB A-133 Section 530 | No |

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2011

Section 2

Financial Statement Findings

2011-1 Construction Related Accounts Payable and Accrued Expenditures

Issue: Currently there is a lack of control surrounding classification and year end entries for the above noted transaction cycles.

Criteria: All outstanding liabilities should be recorded in the correct period.

Effect: Material misstatements in the above noted transaction cycles could occur.

Cause: There is currently no process to ensure that all outstanding liabilities are properly recorded.

Recommendation: Management should review payments to vendors after year end for proper classification.

Management's Response: Procedures have been revised to require all vendors, including contractors to send their invoice to Accounts Payable. In addition, the duties and responsibilities of the individuals within the Facilities Department will be reorganized to streamline the approval of construction invoices.

2011-2 Segregation of Duties for Cash Receipts

Issue: There is a lack of segregation of duties surrounding cash receipts that are received by mail.

Criteria: The duties of receiving cash receipts, preparing deposits slips and making deposits should be adequately segregated among employees.

Effect: Material misstatements or theft of cash receipts received by mail could occur.

Cause: Currently one employee performs all three duties noted above.

Recommendation: The above noted duties should be adequately segregated among employees.

Management's Response: The School Board adjusted internal duties so that there is a proper segregation of duties.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2011**

2011-3 Local Government Budget Act

Issue: The fiscal year 2011 budget did not include the required signed budget message.

Criteria: The *Local Government Budget Act* requires that the budget include a signed budget message.

Effect: The School Board was not in compliance with the *Local Government Budget Act*.

Cause: The employee responsible for the budget process was unaware of the budget message requirement.

Recommendation: Employees should receive regular training on compliance matters and requirements.

Management's Response: Budget procedures have been revised to include the requirement for a transmittal letter. The appropriate transmittal letter was prepared for Fiscal Year 2011-2012 budget and will continue to be done in the future.

Federal Awards Findings and Questioned Costs

None

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Summary Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2011**

2010-1 Bid Law

Condition and Recommendation: An instance of noncompliance with public bid law was noted during testing of disbursement transactions. One vendor received multiple disbursements during the fiscal year that totaled more than the dollar threshold for bid law requirements pertaining to materials and supplies. Management and the Purchasing Director should evaluate anticipated purchases that will be made from its various vendors throughout the fiscal year that may subject the School Board to the State bid laws.

Current Status: The Purchasing Department implemented procedures to monitor vendor activity. No instances of noncompliance with public bid law were noted during testing.

2010-2 Accounts Receivable, Revenue and Deferred Revenue Transactions

Condition and Recommendation: There is a lack of control surrounding classification and year end entries for the above noted transaction cycles. Management should review the above noted transaction cycles at year end for all year end entries and proper classification.

Current Status: No exceptions were noted surrounding the above noted transactions.

2010-3 Advance Payment to Vendor

Condition and Recommendation: The School Board had remitted payment to a vendor in advance of the services being completely rendered. Management should adhere to its policies and procedures regarding payments to vendors. Payments should be made only upon receipt of sufficient documentation that the goods or services ordered by the School Board have been properly delivered, accepted, and approved by the appropriate level of management.

Current Status: No advance payments were noted during testing.

2010-4 Millage Renewal

Condition and Recommendation: The Tax Review Officer of the Legislative Auditor's Office has asserted that the OPSB failed to comply with the notice requirements for rolling forward or increasing millage rates as mandated in Article 7, Section 23(C) of the Louisiana Constitution and R.S. 47:1705(B) in that it only published one notification of the millage roll forward prior to the established public hearing date. The School Board disputes the assertion of the Legislative Auditor's Office, and believes that it has complied with the provisions of Article 7, Section 23(C) and with R.S. 47:1705(B). Since the School Board disputes the assertion made by the Legislative Auditor's Office, we recommend that the School Board obtain an Attorney General's opinion as soon as possible in order to resolve this issue.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Summary Schedule of Prior Year Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2011**

Current Status – (Response Per Management): The Legislative Auditors letter of April 9, 2010 did not order changes in the amount of the constitutional millage levied by OPSB but only referenced the placement of the levied millage rate in error on the 2010 tax rolls for a premature over-collection based on a mailing of the 2010 property tax bill by the City of New Orleans in December 2009. *Notwithstanding the absence of a supplemental property tax bill that may have been sent to property tax owners in 2010, OPSB may have lawfully arranged for the City of New Orleans to send out such a supplemental property tax bill for calendar year 2010 tax rolls to collect the revenues related to the increase in the constitutional millage approved by OPSB.*

The public notice requirements in Article VIII, Section 23(C) of Louisiana Constitution and La. R.S. 47:1705(B)(c)(i) must be completed by July 15 of the tax year in which an increase in millage rates apply. It is the opinion of OPSB legal counsel that the notification requirements for the increase in millage rates for 2010 which were completed in January and February 2010 were in accordance with the provisions requiring public notifications prior to July 15, 2010, negating any premature over-collection.

2010-5 Credit Card Usage

Condition and Recommendation: During the fiscal year ended June 30, 2010, an employee of the School Board made a purchase that was personal in nature with the School Board credit card that had been issued to her. The individual had reported the personal usage of the credit card to management and repaid the amount within 30 days of the transaction. The School Board should restrict access to credit cards. Employees designated to utilize a School Board credit card should periodically review the School Board's credit card policy to ensure that they fully understand the compliance requirements for usage of the card as well as the consequences for failure to comply.

Current Status: The School Board revised its procedures with regards to credit cards. No exceptions were noted during testing.

ORLEANS PARISH SCHOOL BOARD

SUMMARY OF CHARTER SCHOOL FINDINGS

ALGIERS CHARTER SCHOOLS ASSOCIATION

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings required to be reported in this section.

FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

**FRENCH AND MONTESSORI EDUCATION, INC.
D/B/A AUDUBON CHARTER SCHOOL**

Findings Related to the Financial Statements

I. Compliance and Internal Control Over Financial Reporting

None.

II. Management Letter Comment

None.

Findings and Questioned Costs Related to Major Federal Award Programs

None.

D/B/A BENJAMIN FRANKLIN HIGH SCHOOL

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statement

Internal Control Over Financial Reporting

11-01 Financial Reporting and Accounting

Criteria - Adequate internal controls relating to monitoring the financial condition and operations of the School, require that all general ledger accounts be reconciled on a regular basis and all financial activity be recorded on a timely basis.

Condition - The School did not reconcile certain general ledger accounts on a regular basis throughout the 2011 fiscal year.

Cause - The School did not record certain transactions in the general ledger on a timely basis, which resulted in the misstatement of account balances.

Effect - Without an adequate reconciliation process in place, the financial statements could potentially be materially misstated and could result in possible irregularities.

Recommendation - The School should refine internal control procedures to ensure that all general ledger accounts are being reconciled on a monthly basis and that all financial activity is recorded on a timely basis.

Management's Corrective Action - Improvements have been made in the internal controls and all general ledger accounts are being reconciled on a monthly basis.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2011.

Internal Control/Compliance

The School did not expend more than \$500,000 in Federal awards during the year ended June 30, 2011 and, therefore, was exempt from the audit requirements under the Single Audit Act and OME Circular A-133, Audits of States, Local Government and Non-Profit Organizations.

THE EINSTEIN GROUP, INC.

Internal Control Over Financial Reporting

None.

Compliance and Other Matters

None.

HYNES CHARTER SCHOOL CORPORATION

Section II - Internal Control and Compliance - Governmental Auditing Standards

No findings or questioned costs for the year ended June 30, 2011.

Section III - Internal Control and Compliance - Major Federal Programs

No findings or questioned costs for the year ended June 30, 2011.

LAKE FOREST ELEMENTARY CHARTER SCHOOL

Section II - Internal Control and Compliance - Governmental Auditing Standards

No findings or questioned costs for the year ended June 30, 2011.

Section III - Internal Control and Compliance - Major Federal Programs

No findings or questioned costs for the year ended June 30, 2011.

**ADVOCATES FOR ARTS-BASED EDUCATION CORPORATION
D/B/A LUSHER CHARTER SCHOOL**

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of financial statements for the year ended June 30, 2011.

No significant deficiencies were noted during the audit of the financial statements for the year ended June 30, 2011.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2011.

Section III – Federal Award Findings and Questioned Costs

Internal Control / Compliance

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2011.

**ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(D/B/A ROBER RUSSA MOTON CHARTER SCHOOL)**

Section II - Financial Statement Findings

No matters reported.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

FINANCIAL STATEMENT FINDINGS

COMPLIANCE AND OTHER MATTERS

2011-1 Instructional Staff

Condition: Ten of the thirty-three teachers were not certified by the State Board of Elementary and Secondary Education.

Criteria: At least 75% of the instructional staff must be certified by the State Board of Elementary and Secondary Education or the French Ministry of Education.

Effect: The Corporation is not in compliance with the rules and regulations of the Louisiana Department of Education.

Recommendation: The Principal should review the certificates of all teachers prior to hiring in order to satisfy the compliance requirements relative to its instructional staff.

Management Response: The Principal will actively seek employees who are certified and highly qualified in their subject areas. The school will support teachers seeking certification through tuition reimbursements and alternative certification programs.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

**Section II – Findings related to the financial statements that are required to be reported in accordance with
*Governmental Auditing Standards***

No findings and questioned costs for the year ended June 30, 2011.

Section III – Findings and questioned costs for federal awards under OMB Circular A-133

No findings and questioned costs for the year ended June 30, 2011.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Orleans Parish School Board
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Orleans Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Orleans Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). Management of Orleans Parish School Board is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No exceptions noted.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

An Independently Owned Member, McGladrey Alliance

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Schedule 2 - Education Levels of Public School Staff

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

No exceptions noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No exceptions noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No exceptions noted.

Schedule 3 - Number and Type of Public Schools

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No exceptions noted.

Schedule 4 - Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

For the 25 teachers, principals and assistant principals sampled, discrepancies were noted for all. We discussed with management who further analyzed the discrepancies. It was determined that the information for the schedule was obtained from the School Board's MUNIS data system. The data system pulled the years of service from the salary scale in MUNIS which identifies the salary step of an employee but does not necessarily correlate to the years of service. As a result the discrepancies we noted in our sample occurred. Management is in the process of upgrading the MUNIS system and will now utilize the module which captures years of service.

Schedule 5 - Public School Staff Data: Average Salaries

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No exceptions noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No exceptions noted.

Schedule 6 - Class Size Characteristics

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

No exceptions noted.

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No exceptions noted.

Schedule 8 - Graduation Exit Exam (GEE)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No exceptions noted.

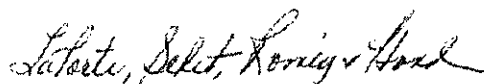
Schedule 9 - iLEAP Test Results

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No exceptions noted.

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Orleans Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

November 28, 2011

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
General Fund Instructional and Support Expenditures
And Certain Local Revenue Sources
For the Year Ended June 30, 2011**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 7,851,945
Other Instructional Staff Activities	1,363,047
Employee Benefits	4,646,235
Purchased Professional and Technical Services	-
Instructional Materials and Supplies	22,154
Instructional Equipment	3,200

Total Teacher and Student Interaction Activities \$ 13,886,581

Other Instructional Activities 2,031,751

Pupil Support Activities 2,023,751

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 2,023,751

Instructional Staff Services 1,417,894

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 1,417,894

School Administration 2,017,520

Less: Equipment for School Administration -

Net School Administration 2,017,520

Total General Fund Instructional Expenditures \$ 21,377,497

Total General Fund Equipment Expenditures \$ 3,200

Certain Local Revenue Sources

Local Taxation Revenue

Constitutional Ad Valorem Taxes	\$ 69,430,183
Renewable Ad Valorem Tax	28,883,960
Debt Service Ad Valorem Tax	12,479,856
Up to 1% of Collections by the Sheriff on Taxes	
Other than School Taxes	(7,743,095)
Sales and Use Taxes	95,109,616

Total Local Taxation Revenue \$ 198,160,520

State Revenue Sharing \$ 2,777,950

Nonpublic Textbook Revenue \$ 464,104

Nonpublic Transportation Revenue \$ -

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Education Levels of Public School Staff
 As of October 1, 2010

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	110	49%	0	0%	0	0%	0	0%
Master's Degree	84	37%	0	0%	8	73%	0	0%
Master's Degree + 30	30	13%	0	0%	3	27%	0	0%
Specialist in Education	1	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
Total	225	100%	0	0%	11	100%	0	0%

See independent accountant's report on applying agreed-upon procedures.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2011**

Schedule 3

Type	Number
Elementary	3
Middle/Jr. High	-
Secondary	-
Combination	2
Total	5

See independent accountant's report on applying agreed-upon procedures.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Experience of Public Principals, Assistant
Principals and Full Time Classroom Teachers
As of October 1, 2010**

Schedule 4

	0 -1 Yr.	2 -3 Yrs.	4 -10 Yrs.	11-14 Yrs.	15 -19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	1	2	0	0	0	1	4
Principals	0	1	0	1	0	1	4	7
Classroom Teachers	27	11	25	13	26	35	88	225
Total	27	13	27	14	26	36	93	236

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Public School Staff Data: Average Salaries
For the Year Ended June 30, 2011**

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	\$53,512	\$52,532
Average Classroom Teachers Salary Excluding Extra Compensation	\$53,168	\$52,532
Number of Teacher Full-Time Equivalents (FTEs) Used in Computation of Average Salaries	225	223

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Class Size Characteristics
 As of October 1, 2010

Schedule 6

CLASS SIZE RANGE										
SCHOOL TYPE	TYPE TOTAL	%	1 THRU 20	%	21 THRU 26	%	27 THRU 33	%	34+	%
ELEMENTARY	241	23.38%	61	5.92%	118	11.45%	62	6.01%	0	0.00%
ELEMENTARY ACTIVITY CLASSES	83	8.05%	36	3.49%	24	2.33%	13	1.26%	10	0.97%
MIDDLE	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
MIDDLE/JR. HIGH ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
HIGH	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
HIGH ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COMBINATION	476	46.17%	190	18.43%	129	12.51%	140	13.58%	17	1.65%
COMBINATION ACTIVITY CLASSES	231	22.41%	186	18.04%	16	1.55%	22	2.13%	7	0.68%
TOTAL	1,031	100.00%	473	45.88%	287	27.84%	237	22.99%	34	3.30%

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2011

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2011		2010		2009		2011		2010		2009		2011		2010		2009		2011		2010		2009	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 4																								
Advanced	22	18%	11	10%	9	8%	19	16%	18	11%	12	11%	4	3%	4	7%	8	7%	9	8%	9	6%	6	6%
Mastery	43	36%	43	38%	56	52%	36	30%	37	22%	24	22%	18	15%	22	21%	23	21%	35	33%	38	36%	38	36%
Basic	46	38%	44	39%	36	33%	54	45%	49	27%	50	45%	74	60%	67	57%	60	56%	68	48%	54	46%	50	47%
Approaching Basic	8	8%	14	12%	6	6%	7	6%	7	8%	9	8%	17	13%	15	12%	13	12%	4	2%	2	8%	9	8%
Unsatisfactory	0	0%	1	1%	0	0%	4	3%	2	2%	2	2%	7	6%	5	3%	3	3%	4	9%	10	4%	4	4%
Total	120	100%	113	100%	107	100%	120	100%	113	100%	107	100%	120	97%	113	100%	107	100%	120	100%	113	100%	107	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2011		2010		2009		2011		2010		2009		2011		2010		2009		2011		2010		2009	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 8																								
Advanced	5	3%	5	3%	1	0%	6	4%	1	3%	6	3%	0	0%	0	0%	1	0%	0	0%	0	0%	0	0%
Mastery	35	21%	21	11%	27	12%	4	2%	3	4%	8	4%	12	7%	4	2%	21	10%	12	7%	3	2%	12	6%
Basic	98	54%	95	52%	125	57%	81	53%	100	57%	127	39%	63	37%	62	34%	78	36%	73	43%	83	45%	113	52%
Approaching Basic	36	21%	55	30%	61	28%	58	35%	57	25%	54	25%	57	34%	64	46%	91	42%	84	38%	67	36%	65	30%
Unsatisfactory	2	1%	7	4%	4	2%	16	10%	24	11%	23	11%	37	22%	34	18%	26	12%	20	12%	32	17%	26	12%
Total	188	100%	183	100%	218	100%	168	100%	185	100%	218	100%	169	100%	184	100%	217	100%	169	100%	185	100%	216	100%

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Graduation Exit Exam (GEE)
For the Year Ended June 30, 2011

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	2	0%	0	0%	0	0%	10	3%	8	3%	13	3%
Proficient	21	9%	26	3%	13	5%	39	15%	46	9%	36	8%
Basic	171	50%	159	54%	216	44%	160	46%	154	48%	198	40%
Approaching Basic	76	30%	92	28%	108	32%	54	20%	62	21%	82	19%
Unsatisfactory	35	11%	34	15%	38	19%	43	16%	41	19%	48	30%
Total	305	100%	311	100%	375	100%	306	100%	311	100%	377	100%

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	2	0%	0	0%	1	0%	0	0%	0	0%	0	0%
Proficient	22	6%	19	5%	16	9%	4	1%	3	6%	19	4%
Basic	121	47%	176	44%	141	42%	172	61%	231	61%	195	59%
Approaching Basic	101	33%	127	32%	102	32%	78	30%	112	20%	63	24%
Unsatisfactory	53	14%	57	19%	56	17%	45	8%	33	13%	39	13%
Total	299	100%	379	100%	316	100%	299	100%	379	100%	316	100%

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
iLEAP Test Results
For the Year Ended June 30, 2011

Schedule 9

iLEAP Tests - 2011								
District Achievement	English Language Arts		Mathematics		Science		Social Studies	
Level Results	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	11	9%	10	8%	3	2%	3	2%
Mastery	27	21%	24	19%	12	10%	18	14%
Basic	67	53%	62	49%	72	57%	78	62%
Approaching Basic	16	13%	23	18%	37	29%	16	13%
Unsatisfactory	5	4%	7	5%	2	2%	11	9%
Total	126	100%	126	100%	126	100%	126	100%
District Achievement	English Language Arts		Mathematics		Science		Social Studies	
Level Results	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	9	8%	14	12%	2	2%	8	7%
Mastery	33	29%	18	16%	12	10%	33	29%
Basic	46	41%	54	48%	53	47%	43	38%
Approaching Basic	18	16%	13	12%	33	29%	17	15%
Unsatisfactory	7	6%	14	12%	13	12%	12	11%
Total	113	100%	113	100%	113	100%	113	100%
District Achievement	English Language Arts		Mathematics		Science		Social Studies	
Level Results	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	5	5%	9	9%	1	1%	10	10%
Mastery	28	28%	15	15%	7	7%	9	9%
Basic	54	53%	63	61%	65	64%	56	55%
Approaching Basic	12	12%	8	8%	25	25%	22	22%
Unsatisfactory	2	2%	7	7%	3	3%	4	4%
Total	101	100%	102	100%	101	100%	101	100%
District Achievement	English Language Arts		Mathematics		Science		Social Studies	
Level Results	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	2%	0	0%	0	0%	0	0%
Mastery	13	11%	4	4%	3	3%	3	3%
Basic	59	52%	56	49%	55	48%	64	56%
Approaching Basic	32	28%	32	28%	32	28%	26	23%
Unsatisfactory	8	7%	22	19%	24	21%	21	18%
Total	114	100%	114	100%	114	100%	114	100%
District Achievement	English Language Arts		Mathematics		Science		Social Studies	
Level Results	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent				
Grade 9								
Advanced	0	0%	0	0%				
Mastery	0	0%	0	0%				
Basic	0	0%	0	0%				
Approaching Basic	0	0%	0	0%				
Unsatisfactory	0	0%	0	0%				
Total	0	0%	0	0%				

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
iLEAP Test Results (Continued)
For the Year Ended June 30, 2011

Schedule 9
(Continued)

iLEAP Tests - 2010

District Achievement Level Results	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 3								
Advanced	4	3%	11	9%	4	3%	2	2%
Mastery	38	32%	29	25%	23	20%	26	22%
Basic	55	47%	51	43%	65	55%	62	52%
Approaching Basic	16	14%	18	15%	22	19%	22	19%
Unsatisfactory	5	4%	9	8%	4	3%	6	5%
Total	118	100%	118	100%	118	100%	118	100%

District Achievement Level Results	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 5								
Advanced	17	16%	8	7%	1	1%	8	7%
Mastery	38	34%	29	27%	15	14%	35	33%
Basic	46	43%	53	50%	63	59%	54	50%
Approaching Basic	8	7%	10	9%	24	22%	10	10%
Unsatisfactory	0	0%	7	7%	4	4%	0	0%
Total	107	100%	107	100%	107	100%	107	100%

District Achievement Level Results	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 6								
Advanced	20	25%	4	5%	5	6%	12	15%
Mastery	14	18%	14	18%	18	23%	10	13%
Basic	38	48%	55	69%	43	54%	46	58%
Approaching Basic	3	4%	4	5%	11	14%	8	10%
Unsatisfactory	4	5%	2	3%	2	3%	3	4%
Total	79	100%	79	100%	79	100%	79	100%

District Achievement Level Results	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 7								
Advanced	3	3%	7	6%	3	3%	0	0%
Mastery	21	18%	10	9%	11	10%	10	9%
Basic	71	61%	63	54%	47	40%	71	62%
Approaching Basic	17	15%	25	22%	44	38%	22	19%
Unsatisfactory	3	3%	10	9%	10	9%	12	10%
Total	115	100%	115	100%	115	100%	115	100%

District Achievement Level Results	English Language Arts 2010		Mathematics 2010	
	Number	Percent	Number	Percent
Students				
Grade 8				
Advanced	0	0%	3	1%
Mastery	20	7%	18	6%
Basic	164	55%	170	58%
Approaching Basic	98	33%	66	22%
Unsatisfactory	15	5%	40	13%
Total	297	100%	297	100%

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
iLEAP Test Results (Continued)
For the Year Ended June 30, 2011

Schedule 9
(Continued)

iLEAP Tests - 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	6	6%	4	4%	2	2%	1	1%
Mastery	31	28%	24	22%	17	18%	24	22%
Basic	48	43%	56	51%	64	59%	63	58%
Approaching Basic	20	19%	18	17%	22	20%	18	17%
Unsatisfactory	3	3%	6	6%	3	3%	2	2%
Total	108	100%	108	100%	108	100%	108	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	23	28%	13	16%	4	5%	2	2%
Mastery	19	23%	21	25%	23	28%	27	33%
Basic	35	42%	40	49%	43	51%	36	44%
Approaching Basic	4	5%	7	8%	13	16%	16	19%
Unsatisfactory	2	2%	2	2%	0	0%	2	2%
Total	83	100%	83	100%	83	100%	83	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	6	8%	7	9%	3	4%	9	12%
Mastery	20	26%	16	21%	11	14%	24	32%
Basic	44	58%	50	66%	51	68%	35	45%
Approaching Basic	5	7%	1	1%	11	14%	6	8%
Unsatisfactory	1	1%	2	3%	0	0%	2	3%
Total	76	100%	76	100%	76	100%	76	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	5	4%	7	6%	1	1%	0	0%
Mastery	14	11%	11	9%	20	16%	13	10%
Basic	62	49%	54	43%	56	44%	64	51%
Approaching Basic	30	24%	37	29%	30	24%	35	28%
Unsatisfactory	15	12%	17	13%	19	15%	14	11%
Total	126	100%	126	100%	126	100%	126	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	2	1%
Mastery	9	3%	18	6%
Basic	177	56%	157	50%
Approaching Basic	108	35%	76	24%
Unsatisfactory	18	6%	59	19%
Total	312	100%	312	100%

See independent accountant's report on applying agreed-upon procedures.